

Company Registration No. 01721363 (England and Wales)

**ASM AUTO RECYCLING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**



# ASM AUTO RECYCLING LIMITED

## CONTENTS

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	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 20

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# ASM AUTO RECYCLING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2017

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The directors present the strategic report for the year ended 30 September 2017.

#### Review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who were pleased with the continued progress despite operating in a continually challenging economic environment.

The company has again experienced a solid year given trading conditions and has a healthy balance sheet at the year end. The company has experienced strong turnover and solid gross profitability and is in position to capitalise on any future opportunities which may materialise in order to grow the business further.

The company continues to explore and seek opportunities to secure new contracts and partnerships within the industry.

#### Principal risks and uncertainties

The company is exposed to a variety of financial risks which include liquidity risk and credit risk. Regular risk management reviews are undertaken in an attempt to limit the adverse effects on the financial performance of the company. Policies set by the board of directors are implemented by the company's finance department.

#### 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 the recovery of amounts owed by the customers for invoiced sales. The credit risk is managed by regular monitoring of outstanding amounts and thorough credit checks.

#### 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 whether we are achieving our principal strategic aims of sustainable growth, superior financial performance and funding for future growth.

Gross profit margin for the period for the company was 18% (2017 : 19%) and operating profit margin was 8% (2017 : 9%). We seek to provide growth in earnings through improved efficiencies and operations in light of market conditions. The generation of earnings is essential to deliver growth and to fund future growth in the business.

# ASM AUTO RECYCLING LIMITED

## STRATEGIC REPORT (CONTINUED)

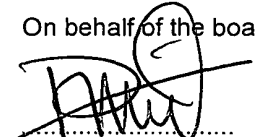
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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### Financial indicators

	30 September 2017	30 September 2016
Turnover	£22,154,826	£17,548,354
Gross Profit (%)	18%	19%
Operating Profit (%)	8%	9%

On behalf of the board

  
.....  
P. M. McDonagh  
Director  
20/10/18

# ASM AUTO RECYCLING LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2017

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The directors present their annual report and financial statements for the year ended 30 September 2017.

#### Principal activities

The principal activity of the company continued to be that of the sale of motor spares and second hand motor vehicles and automotive 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  
P. M. McDonagh  
C. J. Morgan  
C. A. McDonagh

(Resigned 18 May 2018)

#### Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### 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;
- 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 AUTO RECYCLING LIMITED

## DIRECTORS' REPORT (CONTINUED)

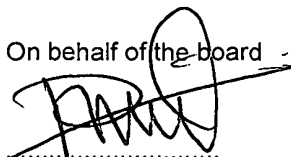
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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### 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 -



P. M. McDonagh

Director

20/10/18

# ASM AUTO RECYCLING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ASM AUTO RECYCLING LIMITED

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#### Opinion

We have audited the financial statements of ASM Auto Recycling Limited (the 'company') for the year ended 30 September 2017 set out on pages 7 to 20. 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 2017 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 AUTO RECYCLING LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ASM AUTO RECYCLING LIMITED

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#### 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 set out on pages 3 - 4, 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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

.....21/4/18.....

Chartered Accountants  
Statutory Auditor

55 Station Road  
Beaconsfield  
Bucks  
HP9 1QL



# ASM AUTO RECYCLING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

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	Notes	2017 £	2016 £
Turnover	3	22,154,826	17,548,354
Cost of sales		(18,097,561)	(14,643,594)
<b>Gross profit</b>		<b>4,057,265</b>	<b>2,904,760</b>
Administrative expenses		(2,366,998)	(2,295,123)
<b>Operating profit</b>	4	<b>1,690,267</b>	<b>609,637</b>
Interest payable and similar expenses	7	(3,132)	(2,722)
<b>Profit before taxation</b>		<b>1,687,135</b>	<b>606,915</b>
Taxation	8	(339,144)	(107,589)
<b>Profit and total comprehensive income</b>		<b>1,347,991</b>	<b>499,326</b>

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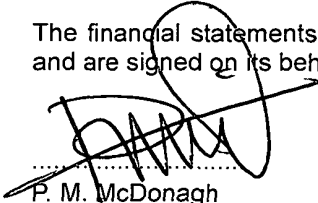
# ASM AUTO RECYCLING LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	9		1,805		9,970
Tangible assets	10		1,950,726		1,243,694
			<u>1,952,531</u>		<u>1,253,664</u>
<b>Current assets</b>					
Stocks	11	1,294,868		844,684	
Debtors	12	697,482		491,374	
Cash at bank and in hand		8,592		312,105	
		<u>2,000,942</u>		<u>1,648,163</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,528,797)		(1,825,999)	
<b>Net current assets/(liabilities)</b>			<u>472,145</u>		<u>(177,836)</u>
<b>Total assets less current liabilities</b>			<u>2,424,676</u>		<u>1,075,828</u>
<b>Creditors: amounts falling due after more than one year</b>	14		-		(25,392)
<b>Provisions for liabilities</b>	16		(114,758)		(88,509)
<b>Net assets</b>			<u>2,309,918</u>		<u>961,927</u>
<b>Capital and reserves</b>					
Called up share capital	19		950		950
Profit and loss reserves			2,308,968		960,977
<b>Total equity</b>			<u>2,309,918</u>		<u>961,927</u>

The financial statements were approved by the board of directors and authorised for issue on 20/10/18 and are signed on its behalf by:

  
P. M. McDonagh  
Director

Company Registration No. 01721363

# ASM AUTO RECYCLING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2015	950	461,651	462,601
<b>Year ended 30 September 2016:</b>			
Profit and total comprehensive income for the year	-	499,326	499,326
<b>Balance at 30 September 2016</b>	<b>950</b>	<b>960,977</b>	<b>961,927</b>
<b>Year ended 30 September 2017:</b>			
Profit and total comprehensive income for the year	-	1,347,991	1,347,991
<b>Balance at 30 September 2017</b>	<b>950</b>	<b>2,308,968</b>	<b>2,309,918</b>

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 1 Accounting policies

#### Company information

ASM Auto Recycling Limited 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 Menlo Industrial Park, Rycote Lane, Thame, Oxon, OX9 2JB.

#### 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.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Financial instruments
- Cash Flow Statement and related notes

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis and the directors confirm their belief in the company's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. This is based on an assessment of business trading for a period of at least twelve months from the date of approval of 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.

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual installments over its estimated useful economic life of 10 years.

#### 1.5 Franchise areas

Franchise areas are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### 1.6 Tangible fixed assets

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

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 1 Accounting policies

(Continued)

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.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

#### 1.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Provisions are made for slow moving and obsolete stock.

#### 1.9 Financial instruments

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 and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised. Other financial assets classified as fair value through profit or loss are measured at fair value.

##### **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 AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 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.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 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.

##### ***Deferred tax***

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **1.12 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.

#### **1.13 Retirement benefits**

The company operates 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.

#### **1.14 Leases**

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.

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 1 Accounting policies

(Continued)

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

### 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.

#### Stock provision

A provision for slow moving stock is included in line with group policy.

### 3 Turnover and other revenue

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

	2017	2016
	£	£
<b>Turnover</b>		
Sales	22,154,826	17,548,354

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

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	12,000	12,000
Depreciation of owned tangible fixed assets	346,712	366,184
Profit on disposal of tangible fixed assets	(33,772)	(1,018)
Amortisation of intangible assets	8,165	8,164
Cost of stocks recognised as an expense	14,922,033	11,955,055
Write down of stocks recognised as an expense	77,524	(14,899)
Operating lease charges	25,000	25,000



# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 5 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	12,000	12,000

### 6 Employees

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

	2017 Number	2016 Number
Office	7	4
Sales & Distribution	96	88
	103	92

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	2,808,783	2,451,615
Social security costs	264,518	229,688
Pension costs	24,703	22,135
	3,098,004	2,703,438

### 7 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Hire purchase interest	2,782	2,722
<b>Other finance costs:</b>		
Other interest	350	-
	3,132	2,722

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 8 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	310,737	174,498
Adjustments in respect of prior periods	2,158	(10,000)
Total current tax	312,895	164,498
<b>Deferred tax</b>		
Origination and reversal of timing differences	26,249	(35,097)
Changes in tax rates	-	(21,812)
Total deferred tax	26,249	(56,909)
Total tax charge	339,144	107,589

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:

	2017 £	2016 £
Profit before taxation	1,687,135	606,915
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	328,991	121,383
Tax effect of expenses that are not deductible in determining taxable profit	595	2,042
Adjustments in respect of prior years	2,158	-
Permanent capital allowances in excess of depreciation	10,738	51,073
Other tax adjustments	(29,587)	(10,000)
Taxation for the year	312,895	164,498

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2017

#### 9 Intangible fixed assets

	Goodwill	Franchise Areas	Total
	£	£	£
<b>Cost</b>			
At 1 October 2016 and 30 September 2017	45,000	81,650	126,650
<b>Amortisation and impairment</b>			
At 1 October 2016	45,000	71,680	116,680
Amortisation charged for the year	-	8,165	8,165
At 30 September 2017	45,000	79,845	124,845
<b>Carrying amount</b>			
At 30 September 2017	-	1,805	1,805
At 30 September 2016	-	9,970	9,970

#### 10 Tangible fixed assets

	Improvements to property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2016	1,312,793	1,331,397	525,393	1,365,251	4,534,834
Additions	-	657,175	1,750	409,882	1,068,807
Disposals	-	-	-	(62,498)	(62,498)
At 30 September 2017	1,312,793	1,988,572	527,143	1,712,635	5,541,143
<b>Depreciation and impairment</b>					
At 1 October 2016	1,233,156	732,427	399,456	926,101	3,291,140
Depreciation charged in the year	40,807	128,269	18,954	158,682	346,712
Eliminated in respect of disposals	-	-	-	(47,435)	(47,435)
At 30 September 2017	1,273,963	860,696	418,410	1,037,348	3,590,417
<b>Carrying amount</b>					
At 30 September 2017	38,830	1,127,876	108,733	675,287	1,950,726
At 30 September 2016	79,637	598,970	125,937	439,150	1,243,694

#### 11 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	1,294,868	844,684

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 12 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	160,876	191,707
Amounts owed by group undertakings	395,633	135,936
Prepayments and accrued income	140,973	163,731
	<u>697,482</u>	<u>491,374</u>

### 13 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts		84,154	-
Obligations under hire purchase	15	-	16,929
Trade creditors		240,264	308,634
Amounts due to group undertakings		782,381	1,043,606
Corporation tax		90,689	134,020
Other taxation and social security		199,044	258,198
Other creditors		31,073	30,915
Accruals and deferred income		101,192	33,697
		<u>1,528,797</u>	<u>1,825,999</u>

The company has granted a cross guarantee in favour of the banking facilities as part of the group and related companies. This is a fixed and floating charge over the assets of the group and related companies. The group and related companies are Tasmar Limited, ASM Auto Recycling Limited, ASM Metal Recycling Limited and McDonagh Investments Limited. The facility in respect of ASM Auto Recycling Limited extends to £245,000. The amount owed by the group under the cross guarantee amounts to £223,345 at September 2017 (2016 : £Nil)

### 14 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	15	-	25,392

### 15 Finance lease obligations

	2017 £	2016 £
<b>Future minimum lease payments due under finance leases:</b>		
Within one year	-	16,929
In two to five years	-	25,392
	<u>-</u>	<u>42,321</u>

# ASM AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 15 Finance lease obligations (Continued)

The obligations under finance lease obligations are secured over the assets acquired.

### 16 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	17	114,758	88,509

### 17 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 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	114,758	88,509
<b>Movements in the year:</b>		2017 £
Liability at 1 October 2016		88,509
Charge to profit or loss		26,249
Liability at 30 September 2017		114,758

### 18 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	24,703	22,135

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 AUTO RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 19 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
950 ordinary shares of £1 each	950	950
	<u>950</u>	<u>950</u>

### 20 Financial commitments, guarantees and contingent liabilities

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

### 21 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	50,000	53,110
Between two and five years	37,500	87,500
	<u>87,500</u>	<u>140,610</u>

### 22 Related party transactions

During the financial year the company paid rent of £50,000 (2016 : £50,000) to Tasmar Limited Pension Scheme.

The company has taken advantage of the exemption available whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. The group comprises Tasmar Limited, ASM Auto Recycling Limited and ASM Metal Recycling Limited. The largest and smallest group for which accounts are prepared is that headed by Tasmar Limited, a copy of group accounts is publically available from 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL.

### 23 Controlling party

In the current and previous financial year the company is a wholly owned 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.