

Company Registration No. 01721363 (England and Wales)

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



ASM AUTO RECYCLING LTD.

COMPANY INFORMATION

Directors	P. V. McDonald P. M. McDonagh C. J. Morgan
Company number	01721363
Registered office	55 Station Road Beaconsfield Buckinghamshire HP9 1QL
Auditor	Rouse Audit LLP 55 Station Road Beaconsfield Buckinghamshire HP9 1QL

ASM AUTO RECYCLING LTD.

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ASM AUTO RECYCLING LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

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 following a period of recovery after business was impacted by the COVID-19 pandemic and government restrictions that were in place, however business has been able to return to full capacity 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 22% (2020 : 18%) and operating profit margin was 10% (2020 : 6%). 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 LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial indicators

	30 September 2021	30 September 2020
Turnover	£25,805,665	£20,823,093
Gross Profit (%)	22%	18%
Operating Profit (%)	10%	6%

On behalf of the board

Paul McDonagh

.....
P. M. McDonagh
Director

23-Jun-2022
.....

ASM AUTO 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 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

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.

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).

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 AUTO 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 McDonagh

.....
P. M. McDonagh
Director

23-Jun-2022
.....

ASM AUTO RECYCLING LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASM AUTO RECYCLING LTD.

Opinion

We have audited the financial statements of ASM Auto 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 a summary of 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 AUTO RECYCLING LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ASM AUTO 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 AUTO RECYCLING LTD.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	25,805,665	20,823,093
Cost of sales		(20,230,858)	(17,063,563)
Gross profit		5,574,807	3,759,530
Administrative expenses		(3,003,804)	(3,017,847)
Other operating income		9,674	543,416
Profit before taxation		2,580,677	1,285,099
Taxation	6	(550,976)	(265,097)
Profit and total comprehensive income		2,029,701	1,020,002

ASM AUTO RECYCLING LTD.

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		2,454,243		2,468,074
Current assets					
Stocks	10	2,632,395		1,894,372	
Debtors	11	2,499,687		1,383,897	
Cash at bank and in hand		496,433		499,722	
		<u>5,628,515</u>		<u>3,777,991</u>	
Creditors: amounts falling due within one year	12	<u>(1,937,957)</u>		<u>(2,149,476)</u>	
Net current assets			<u>3,690,558</u>		<u>1,628,515</u>
Total assets less current liabilities			<u>6,144,801</u>		<u>4,096,589</u>
Provisions for liabilities					
Deferred tax liability	13	<u>224,853</u>	<u>(224,853)</u>	<u>210,880</u>	<u>(210,880)</u>
Deferred income	14		<u>(19,400)</u>		<u>(14,862)</u>
Net assets			<u><u>5,900,548</u></u>		<u><u>3,870,847</u></u>
Capital and reserves					
Called up share capital	16		950		950
Profit and loss reserves			<u>5,899,598</u>		<u>3,869,897</u>
Total equity			<u><u>5,900,548</u></u>		<u><u>3,870,847</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23-Jun-2022 and are signed on its behalf by:

Paul McDonagh

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P. M. McDonagh
Director

Company Registration No. 01721363

ASM AUTO 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		950	5,849,895	5,850,845
Year ended 30 September 2020:				
Profit and total comprehensive income for the year		-	1,020,002	1,020,002
Dividends	7	-	(3,000,000)	(3,000,000)
Balance at 30 September 2020		950	3,869,897	3,870,847
Year ended 30 September 2021:				
Profit and total comprehensive income for the year		-	2,029,701	2,029,701
Balance at 30 September 2021		950	5,899,598	5,900,548

ASM AUTO RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

ASM Auto 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 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.

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 COVID-19 pandemic had a significant impact on global businesses however the directors implemented measures to mitigate the impact on the business. These measures include the company participating in the government furlough scheme for affected staff members and various other cost saving measures. The company adapted to the events of COVID-19 as appropriate given the restrictions imposed by the government and although the business activity continued at a reduced capacity during the pandemic, the company remained profitable.

Although the trade was significantly impacted by COVID-19, the company saw trade recover over the year to September 2021, 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.

Taking these factors into consideration, 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. 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.

ASM AUTO RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

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.

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.

ASM AUTO RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

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 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.

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. 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

Other financial liabilities are initially measured at fair value, net of transaction costs.

ASM AUTO RECYCLING LTD.

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

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 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 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.

1.11 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.

1.12 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.

1.13 Leases

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

ASM AUTO RECYCLING LTD.

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

1 Accounting policies

(Continued)

1.14 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.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation of tangible fixed assets

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

Stock provision

Stock is valued at the lower of cost and net realisable value. A provision for slow moving stock is included in line with the group policy.

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover		
Sales	25,805,665	20,823,093

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

ASM AUTO RECYCLING LTD.

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

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(9,674)	(543,416)
Fees payable to the company's auditor for the audit of the company's financial statements	12,400	12,400
Depreciation of owned tangible fixed assets	526,514	499,827
Loss/(profit) on disposal of tangible fixed assets	5,024	2,349
Write down of stocks recognised as an expense	145,196	9,690
Operating lease charges	207,399	206,355

Government grants relates to income in respect of the Coronavirus Job Retention Scheme.

5 Employees

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

	2021 Number	2020 Number
Office	5	6
Sales & Distribution	102	110
	<u>107</u>	<u>116</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,949,405	3,075,856
Social security costs	283,251	287,123
Pension costs	84,310	89,389
	<u>3,316,966</u>	<u>3,452,368</u>

6 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	537,003	200,155

ASM AUTO RECYCLING LTD.

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

6 Taxation (Continued)

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	13,973	64,942
	<u> </u>	<u> </u>
Total tax charge	550,976	265,097
	<u> </u>	<u> </u>

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	2,580,677	1,285,099
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	490,329	244,169
Tax effect of expenses that are not deductible in determining taxable profit	1,221	2,052
Permanent capital allowances in excess of depreciation	5,462	4,375
Deferred tax adjustments in respect of prior years	53,964	17,174
Other tax adjustments	-	(2,673)
	<u> </u>	<u> </u>
Taxation charge for the year	550,976	265,097
	<u> </u>	<u> </u>

7 Dividends

	2021 £	2020 £
Final paid	-	3,000,000
	<u> </u>	<u> </u>

ASM AUTO RECYCLING LTD.

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

8 Intangible fixed assets

	Goodwill	Franchise Areas	Total
	£	£	£
Cost			
At 1 October 2020 and 30 September 2021	45,000	81,651	126,651
Amortisation and impairment			
At 1 October 2020 and 30 September 2021	45,000	81,651	126,651
Carrying amount			
At 30 September 2021	-	-	-
At 30 September 2020	-	-	-

9 Tangible fixed assets

	Improvements to property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2020	1,358,647	2,557,133	617,331	2,092,561	6,625,672
Additions	45,854	103,052	1,760	405,789	556,455
Disposals	-	(42,568)	-	(179,332)	(221,900)
At 30 September 2021	1,404,501	2,617,617	619,091	2,319,018	6,960,227
Depreciation and impairment					
At 1 October 2020	1,305,418	1,225,011	388,659	1,238,510	4,157,598
Depreciation charged in the year	13,699	206,703	34,440	271,672	526,514
Eliminated in respect of disposals	-	(31,102)	-	(147,026)	(178,128)
At 30 September 2021	1,319,117	1,400,612	423,099	1,363,156	4,505,984
Carrying amount					
At 30 September 2021	85,384	1,217,005	195,992	955,862	2,454,243
At 30 September 2020	53,229	1,332,122	228,672	854,051	2,468,074

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,632,395	1,894,372

ASM AUTO 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	269,105	138,886
Corporation tax recoverable	-	65,996
Amounts owed by group undertakings	1,465,904	310,738
Other debtors	270,400	268,684
Prepayments and accrued income	494,278	599,593
	<u>2,499,687</u>	<u>1,383,897</u>

12 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Trade creditors		284,432	636,212
Amounts due to group undertakings		-	162,571
Corporation tax		222,005	-
Other taxation and social security		424,948	333,099
Deferred income	14	186,292	159,084
Other creditors		689,588	704,238
Accruals and deferred income		130,692	154,272
		<u>1,937,957</u>	<u>2,149,476</u>

13 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	<u>224,853</u>	<u>210,880</u>
Movements in the year:		2021
		£
Liability at 1 October 2020		210,880
Charge to profit or loss		13,973
Liability at 30 September 2021		<u>224,853</u>

ASM AUTO RECYCLING LTD.

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

14 Deferred income

	2021 £	2020 £
Other deferred income	205,692	173,946
Deferred income is included in the financial statements as follows:		
Current liabilities	186,292	159,084
Shown as deferred income on the face of the balance sheet	19,400	14,862
	205,692	173,946

15 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	84,310	89,389

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.

16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid ordinary shares of £1 each	950	950	950	950

17 Financial commitments, guarantees and contingent liabilities

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

18 Operating lease commitments

Lessee

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:

	2021 £	2020 £
Within one year	58,452	58,452
Between two and five years	95,375	153,168
	153,827	211,620

ASM AUTO RECYCLING LTD.

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

19 Related party transactions

During the year ended 30 September 2021 the company made sales of £5,047,670 (2020: £3,032,114) to a connected company. During the year, recharges totaled £767 (2020: £812). At the yearend 30 September 2021 an amount of £627,475 (2020: £310,738) was due from the connected company.

During the year ended 30 September 2021, the company made sales of £687,493 and purchases of £8,559,359 to companies with a common director. As at 30 September 2021, £253,674 was due to ASM Auto Recycling Limited from the companies with a common director.

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.

20 Ultimate 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.