

Company Registration No. 01721363 (England and Wales)

**ASM AUTO RECYCLING LTD.**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**



# ASM AUTO RECYCLING LTD.

## COMPANY INFORMATION

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<b>Directors</b>	P. V. McDonald P. M. McDonagh C. J. Morgan
<b>Company number</b>	01721363
<b>Registered office</b>	55 Station Road Beaconsfield Buckinghamshire HP9 1QL
<b>Auditor</b>	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 2020**

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The directors present the strategic report for the year ended 30 September 2020.

#### **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**

In these unprecedented times our business, like most others, is feeling the impact of COVID-19 and the surrounding restrictions on trade and people. Our priority is the protection of our employees, customers and suppliers, as well as the larger community. This will continue to put 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 company has always operated prudently and maintained financial resources to adapt to market pressures, whilst no one could have predicted the impact of COVID-19, we are well placed to work through this difficult period.

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% (2019 : 21%) and operating profit margin was 6% (2019 : 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 LTD.

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

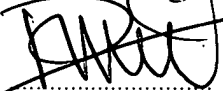
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### Financial indicators

**30 September 2020 30 September 2019**

Turnover	£20,823,093	£24,179,712
Gross Profit (%)	18%	21%
Operating Profit (%)	6%	9%

On behalf of the board



**P. M. McDonagh**  
Director

28/6/21

# ASM AUTO RECYCLING LTD.

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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The directors present their annual report and financial statements for the year ended 30 September 2020.

#### 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.

Ordinary dividends were paid amounting to £3,000,000. 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).

#### 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)

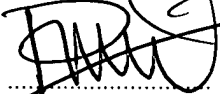
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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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

28/6/21

# ASM AUTO RECYCLING LTD.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ASM AUTO RECYCLING LTD.

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#### Opinion

We have audited the financial statements of ASM Auto Recycling LTD. (the 'company') for the year ended 30 September 2020 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 2020 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 LTD.

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

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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, 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.

### 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

28/4/21

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 2020

	Notes	2020 £	2019 £
Turnover	3	20,823,093	24,065,268
Cost of sales		(17,063,563)	(19,163,708)
<b>Gross profit</b>		<b>3,759,530</b>	<b>4,901,560</b>
Administrative expenses		(3,017,847)	(2,817,848)
Other operating income		543,416	-
<b>Operating profit</b>	4	<b>1,285,099</b>	<b>2,083,712</b>
Interest receivable and similar income		-	1,778
<b>Profit before taxation</b>		<b>1,285,099</b>	<b>2,085,490</b>
Taxation	6	(265,097)	(228,852)
<b>Profit and total comprehensive income</b>		<b>1,020,002</b>	<b>1,856,638</b>

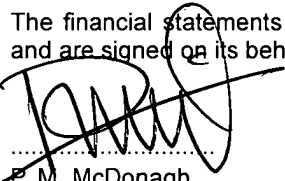
# ASM AUTO RECYCLING LTD.

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9	2,468,074		2,440,551	
<b>Current assets</b>					
Stocks	10	1,894,372		1,771,134	
Debtors	11	1,383,897		3,107,221	
Cash at bank and in hand		499,722		268,317	
		<u>3,777,991</u>		<u>5,146,672</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,149,476)</u>		<u>(1,579,035)</u>	
<b>Net current assets</b>		1,628,515		3,567,637	
<b>Total assets less current liabilities</b>		4,096,589		6,008,188	
<b>Provisions for liabilities</b>	13	(210,880)		(145,977)	
<b>Deferred income</b>	15	(14,862)		(11,366)	
<b>Net assets</b>		<u>3,870,847</u>		<u>5,850,845</u>	
<b>Capital and reserves</b>					
Called up share capital	17	950		950	
Profit and loss reserves		<u>3,869,897</u>		<u>5,849,895</u>	
<b>Total equity</b>		<u>3,870,847</u>		<u>5,850,845</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/06/21 and are signed on its behalf by:

  
P. M. McDonagh  
Director

Company Registration No. 01721363

# ASM AUTO RECYCLING LTD.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2018</b>		950	3,993,257	3,994,207
<b>Year ended 30 September 2019:</b>				
Profit and total comprehensive income for the year		-	1,856,638	1,856,638
<b>Balance at 30 September 2019</b>		950	5,849,895	5,850,845
<b>Year ended 30 September 2020:</b>				
Profit and total comprehensive income for the year		-	1,020,002	1,020,002
Dividends	7	-	(3,000,000)	(3,000,000)
<b>Balance at 30 September 2020</b>		950	3,869,897	3,870,847

# ASM AUTO RECYCLING LTD.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 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 has had a significant impact on global businesses however the directors have taken 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 that have been implemented. The company has adapted to the events of COVID-19 as appropriate given the restrictions imposed by the government and although the business activity has continued at a reduced capacity during the pandemic, the company remains profitable.

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.

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 2020

### 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 2020

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#### 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 2020

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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.

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 2020

### 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:

	2020 £	2019 £
Turnover		
Sales	20,823,093	24,065,268

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 2020

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(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	499,827	483,211
Loss/(profit) on disposal of tangible fixed assets	2,349	(7,712)
Write down of stocks recognised as an expense	71,668	136,742
Operating lease charges	206,355	25,000
	<u>          </u>	<u>          </u>

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:

	2020 Number	2019 Number
Office	6	7
Sales & Distribution	110	107
	<u>116</u>	<u>114</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,075,856	3,125,220
Social security costs	287,123	304,668
Pension costs	89,389	75,331
	<u>3,452,368</u>	<u>3,505,219</u>

### 6 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	200,155	348,257
Adjustments in respect of prior periods	-	(170,412)
	<u>200,155</u>	<u>177,845</u>

# ASM AUTO RECYCLING LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 6 Taxation

(Continued)

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	64,942	51,007
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	<u>265,097</u>	<u>228,852</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:

	2020 £	2019 £
<b>Profit before taxation</b>	<u>1,285,099</u>	<u>2,085,490</u>
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)</b>	244,169	396,243
Tax effect of expenses that are not deductible in determining taxable profit	2,052	2,029
Adjustments in respect of prior years	-	(27,009)
Permanent capital allowances in excess of depreciation	4,375	6,993
Research and development tax credit	-	(143,403)
Deferred tax adjustments in respect of prior years	17,174	(6,001)
Other tax adjustments	(2,673)	-
	<u>          </u>	<u>          </u>
<b>Taxation charge for the year</b>	<u>265,097</u>	<u>228,852</u>

### 7 Dividends

	2020 £	2019 £
<b>Final paid</b>	<u>3,000,000</u>	<u>-</u>

# ASM AUTO RECYCLING LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 8 Intangible fixed assets

	Goodwill	Franchise Areas	Total
	£	£	£
<b>Cost</b>			
At 1 October 2019 and 30 September 2020	45,000	81,651	126,651
<b>Amortisation and impairment</b>			
At 1 October 2019 and 30 September 2020	45,000	81,651	126,651
<b>Carrying amount</b>			
At 30 September 2020	-	-	-
At 30 September 2019	-	-	-

#### 9 Tangible fixed assets

	Improvements to property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2019	1,312,793	2,463,833	539,563	1,856,222	6,172,411
Additions	45,854	167,800	77,768	256,294	547,716
Disposals	-	(74,500)	-	(19,955)	(94,455)
At 30 September 2020	1,358,647	2,557,133	617,331	2,092,561	6,625,672
<b>Depreciation and impairment</b>					
At 1 October 2019	1,298,878	1,057,277	351,212	1,024,493	3,731,860
Depreciation charged in the year	6,540	227,091	37,447	228,749	499,827
Eliminated in respect of disposals	-	(59,357)	-	(14,732)	(74,089)
At 30 September 2020	1,305,418	1,225,011	388,659	1,238,510	4,157,598
<b>Carrying amount</b>					
At 30 September 2020	53,229	1,332,122	228,672	854,051	2,468,074
At 30 September 2019	13,915	1,406,556	188,351	831,729	2,440,551

#### 10 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	1,894,372	1,771,134

# ASM AUTO RECYCLING LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	138,886	171,534
Corporation tax recoverable	65,996	80,152
Amounts owed by group undertakings	310,738	2,490,004
Other debtors	268,684	-
Prepayments and accrued income	599,593	365,531
	<u>1,383,897</u>	<u>3,107,221</u>

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

	Notes	2020	2019
		£	£
Trade creditors		636,212	487,701
Amounts due to group undertakings		162,571	-
Other taxation and social security		333,099	327,594
Deferred income	15	159,084	166,823
Other creditors		704,238	467,881
Accruals and deferred income		154,272	129,036
		<u>2,149,476</u>	<u>1,579,035</u>

### 13 Provisions for liabilities

	Notes	2020	2019
		£	£
Deferred tax liabilities	14	<u>210,880</u>	<u>145,977</u>

### 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	Liabilities
	2020	2019
Balances:	£	£
Accelerated capital allowances	<u>210,880</u>	<u>145,977</u>

# ASM AUTO RECYCLING LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 14 Deferred taxation (Continued)

	2020 £
<b>Movements in the year:</b>	
Liability at 1 October 2019	145,977
Charge to profit or loss	64,903
Liability at 30 September 2020	<u>210,880</u>

### 15 Deferred income

	2020 £	2019 £
Other deferred income	<u>173,946</u>	<u>178,189</u>
Deferred income is included in the financial statements as follows:		
Current liabilities	159,084	166,823
Shown as deferred income on the face of the balance sheet	<u>14,862</u>	<u>11,366</u>
	<u>173,946</u>	<u>178,189</u>

### 16 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>89,389</u>	<u>75,331</u>

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.

### 17 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
950 ordinary shares of £1 each	<u>950</u>	<u>950</u>

### 18 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.

# ASM AUTO RECYCLING LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 19 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:

	2020 £	2019 £
Within one year	58,452	58,452
Between two and five years	153,168	209,809
	<u>211,620</u>	<u>268,261</u>

#### 20 Related party transactions

During the year ended 30 September 2020 the company made sales of £3,032,114 (2019: £3,767,173) to a connected company. During the year, recharges totaled £812 (2019: £36,259). At the yearend 30 September 2020 an amount of £310,738 (2019: £271,575) was due from the connected company.

During the year ended 30 September 2020, the company made sales of £639,070 and purchases of £6,326,101 to companies with a common director. As at 30 September 2020, £227,960 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.

#### 21 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.