

**European Metal Recycling (USA) Limited**

**Annual report and financial statements**

**Registered number 5721603**

**31 December 2015**

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## Contents

Strategic Report	1
Directors' Report	2
Statement of directors' responsibilities in respect of the annual report and the financial statements	3
Independent auditor's report to the members of European Metal Recycling (USA) Limited	4
Profit and Loss Account and Other Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes	8

## Strategic Report

The directors present their report together with the audited financial statements of European Metal Recycling (USA) Limited for the year ended 31 December 2015.

### Principal activities

The principal activity of the Company was that of intermediate holding company.

### Business review and results

Loss after tax for the year amounted to £3,604,000 (2014: loss £4,332,000).

During the year the Company increased its reserves by £88,152,000 as a result of a capital contribution from its parent company, European Metal Recycling Limited.

### Key performance indicators

The directors' key goal is to achieve a profit after tax for the Company and the wider group. The key performance indicators used by the company are shown below:

	2015	2014
Loss after tax	(3,604)	(4,332)

The above KPI has been set as it is considered key to the Company's future success.

### Principal risks and uncertainties

- *Currency risk* - The Company has been exposed to translational foreign currency risk with the loan from its parent company. During the year the loan was repaid reducing the foreign currency exposure.
- *Liquidity risk* - The Company has availability to liquid funds through the central treasury function of its holding company European Metal Recycling Limited ("EMR"). The EMR Group has access to short term flexibility in its borrowing via overdraft and bank revolver facilities and access to longer term borrowing through multi-currency credit facilities with a group of international banks. The EMR Group also has committed borrowing facilities of an additional £263m (2014: £237m).

### Going concern

The directors believe that the Company is well placed to manage its business risk successfully despite the continued uncertain economic outlook. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

By order of the board



Christopher Sheppard  
Director

Sirius House  
Delta Crescent  
Westbrook  
Warrington  
WA5 7NS  
26 September 2016

## **Directors' Report**

### **Dividend**

The directors do not recommend the payment of a dividend (2014: £nil).

### **Directors**

The members of the Board are set out below. All directors served throughout the year.

Christopher Sheppard  
Neil Stinson

During the financial year, a qualifying third party indemnity provision for the benefit of all of the directors was in force.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office.

By order of the board



**Christopher Sheppard**  
*Director*

Sirius House  
Delta Crescent  
Westbrook  
Warrington  
WA5 7NS  
26 September 2016

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 its profit or loss 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 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of European Metal Recycling (USA) Limited**

We have audited the financial statements of European Metal Recycling (USA) Limited for the year ended 31 December 2015 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

### **Matters on which we are required to report by exception**

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.

**Stuart Burdass (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
1 St Peter's Square  
Manchester  
M2 3AE  
26 September 2016

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>Operating profit</b>		-	-
Interest payable and similar charges	4	(4,137)	(4,876)
<b>Loss on ordinary activities before taxation</b>		<hr/> (4,137) <hr/>	<hr/> (4,876) <hr/>
Tax on profit on ordinary activities	5	533	544
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<hr/> (3,604) <hr/>	<hr/> (4,332) <hr/>
<b>Other comprehensive income</b>			
<b>Other comprehensive income for the year, net of income tax</b>		-	-
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		<hr/> (3,604) <hr/>	<hr/> (4,332) <hr/>

The notes on pages 8 to 18 form part of the financial statements

**Balance Sheet**  
*at 31 December 2015*

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Investments	6	191,311	191,311
<b>Current assets</b>			
Debtors	7	9,733	9,199
Cash at bank and in hand		-	-
<b>Creditors: amounts falling due within one year</b>	8	9,733 (9)	9,199 (84,023)
<b>Net current assets</b>		9,724	(74,824)
<b>Total assets less current liabilities</b>		201,035	116,487
<b>Net assets</b>		201,035	116,487
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Other reserves		195,042	106,890
Profit and loss account		5,993	9,597
<b>Shareholders' funds</b>		201,035	116,487

These financial statements were approved by the Board of directors on 26 September 2016 and were signed on its behalf by:



**Christopher Sheppard**  
*Director*

Company registered number: 05721603



## Statement of Changes in Equity

	Called up Share Capital £000	Other Reserves £000	Profit and Loss Account £000	Total Equity £000
Balance at 1 January 2014	-	106,890	13,929	120,819
<b>Total comprehensive loss for the period</b>				
Profit or loss	-	-	(4,332)	(4,332)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(4,332)	(4,332)
Transactions with owners, recorded directly in equity				
Dividends	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 31 December 2014</b>	-	106,890	9,597	116,487

	Called up Share capital £000	Other Reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	-	106,890	9,597	116,487
<b>Total comprehensive loss for the period</b>				
Profit or loss	-	-	(3,604)	(3,604)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(3,604)	(3,604)
Transactions with owners, recorded directly in equity				
Capital reserve increase	-	88,152	-	88,152
Dividends	-	-	-	-
Total contributions by and distributions to owners	-	88,152	-	88,152
<b>Balance at 31 December 2015</b>	-	195,042	5,993	201,035
Set aside for dividends declared after the reporting period			-	-
<b>Total</b>			5,993	201,035

The notes on pages 8 to 18 form part of the financial statements

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

European Metal Recycling (USA) Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £’000.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in note 12.

The Company’s ultimate parent undertaking, Ausurus Group Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of Ausurus Group Ltd are available to the public and may be obtained from Companies House. 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:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company has applied the exemption to prepare consolidated financial statements on the basis that the results of the Company and all of its subsidiary undertakings are included in the consolidated financial statements of Ausurus Group Ltd.

The Company proposes to continue to adopt the reduced disclosure framework of FRS102 in its next financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are provided in note 11.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

#### ***Going concern***

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of these financial statements.

#### ***Functional currency***

The functional currency of the Company is sterling.

Transactions in foreign currencies are translated to the Company’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the

## Notes (continued)

### 1 Accounting policies (continued)

#### *Functional currency (continued)*

exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *Classification of financial instruments issued by the Company*

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### *Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

#### *Turnover*

Turnover is measured at the fair value of consideration receivable by the Company for goods supplied and a service produced, excluding VAT and trade discounts

## Notes (continued)

### 1 Accounting policies (continued)

#### *Expenses*

##### *Interest receivable and interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### *Impairment excluding stocks and deferred tax assets*

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Impairment excluding stocks, [investment properties] and deferred tax assets (continued)*

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2 Auditors' remuneration

The fee in respect of the audit of the financial statements is borne by another group company.

### 3 Directors' remuneration

None of the directors received any remuneration from the Company. The directors are remunerated by the parent company, and their remuneration is disclosed in the financial statements of the parent company.

### 4 Interest payable and similar charges

	2015 £000	2014 £000
Net exchange differences on amounts due to/from group undertakings	4,137	4,876
Total interest payable and similar charges	<u>4,137</u>	<u>4,876</u>

## Notes (continued)

### 5 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2015 £000	2014 £000
<i>Current tax</i>		
Current tax on income for the period	(536)	(544)
Adjustments in respect of prior periods	3	-
	<hr/>	<hr/>
Total current tax	(533)	(544)
	<hr/>	<hr/>
Total tax (credit)	(533)	(544)
	<hr/>	<hr/>

*Analysis of current tax recognised in profit and loss*

	2015 £000	2014 £000
UK corporation tax	(533)	(544)
	<hr/>	<hr/>
Total current tax recognised in profit and loss	(533)	(544)
	<hr/>	<hr/>

### Reconciliation of effective tax rate

	2015 £000	2014 £000
Loss for the year	(3,604)	(4,332)
Total tax expense	(533)	(544)
	<hr/>	<hr/>
Loss excluding taxation	(4,137)	(4,876)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	(838)	(1,048)
Permanent tax differences	302	504
Under provided in prior years	3	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	(533)	(544)
	<hr/>	<hr/>

The tax credit arises as a result of the Company group reliving an imputed interest charge generated on UK intra-group loans as a result of the UK-USA transfer pricing legislation.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

## Notes (continued)

### 6 Fixed asset investments

	Interests in group undertakings and participating interests £000
<i>Cost</i>	
At beginning and end of year	191,311
<i>Net book value</i>	
At 1 January 2015	191,311
At 31 December 2015	191,311

The investments in which the Company held an interest at the year end are detailed in note 13.

### 7 Debtors

	2015 £000	2014 £000
Corporation tax	9,733	9,199
	9,733	9,199
Due within one year	9,733	9,199

Amounts owed to the Company are repayable on demand and carry no interest.

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

	2015 £000	2014 £000
Amounts owed to group undertakings and undertakings in which the Company has a participating interest	9	84,023

Amounts owed to group undertakings are repayable on demand and carry no interest.

### 9 Capital and reserves

#### Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
100 (2014: 100) "A" Ordinary shares of £1 each	100	100

## Notes (continued)

### 10 Related parties

There were no further balances with related parties other than those disclosed in notes 7 and 8.

### 11 Key accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

#### *Investments and loans to group undertakings*

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of the investments and loans that the Company has made to group undertakings. The nature, facts and circumstances of the investments and loans are taken into account in assessing whether there are any indications of impairment.

### 12 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing their FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following table and the notes that accompany the table.

#### *Reconciliation of profit or loss and equity from old GAAP to FRS 102*

	Equity as at 31 December 2013 £000	Profit for the year ended 31 December 2014 £000	Equity as at 31 December 2014 £000
<b>Amount under old GAAP</b>	<b>115,520</b>	<b>544</b>	<b>116,064</b>
b) Retranslation of foreign currency borrowings and associated intercompany loans previously accounted for as a net investment hedge	5,299	(4,876)	423
<b>Amount under FRS 102</b>	<b>120,819</b>	<b>(4,332)</b>	<b>116,487</b>

#### *Notes to the reconciliation*

- a) Under old GAAP, net investment hedge accounting was permitted at the Company level – exchange gains and losses on intercompany loans were offset, in reserves, against exchange gains and losses on associated foreign currency borrowings. Under FRS 102 this treatment at the Company level is no longer permitted and therefore exchange gains and losses have been reclassified to profit and loss for the year ended 31 December 2014.



## Notes (continued)

### 13 Group entities

The undertakings in which the Group and Company held an interest at the year-end are as follows.

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<b><u>Subsidiary undertakings</u></b>				
American Iron & Steel Company	USA	Metal recycler	-	100%
American Steel & Industrial Supply Co LLC	USA	Metal recycler	-	87%
Auto Shred Recycling LLC	USA	Dormant company	-	100%
Automobile Recycling Services LLC	USA	Metal recycler	-	80.8%
EMR (USA Holdings) Inc	USA	Holding company	-	100%
EMR Advanced Recycling LLC	USA	Dormant company	-	100%
EMR Eastern LLC	USA	Holding company	-	100%
EMR Energy LLC	USA	Dormant company	-	100%
EMR Financing LLC	USA	Holding company	-	100%
EMR Gold Export Services Inc	USA	Metal recycler	-	80.8%
EMR Gold Recycling LLC	USA	Metal recycler	-	80.8%
EMR Management Services LLC	USA	Dormant company	-	100%
EMR Marine Terminals LLC	USA	Dormant company	-	100%
EMR Polymers LLC	USA	Dormant company	-	100%
EMR Trading LLC	USA	Metal recycler	-	100%
Evinco Terminals LLC	USA	Dormant company	-	100%
Gainesville Homestead Properties LLC	USA	Property company	-	80.8%
GMFW Real Property LLC	USA	Property company	-	80.8%
GMR Recycling Inc	USA	Metal recycler	-	80.8%
GMV Enterprises LLC	USA	Metal recycler	-	80.8%
GMV Ltd	USA	Metal recycler	-	80.8%
GNR Operations Inc	USA	Metal recycler	-	80.8%
GNR Recycling LP	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Fort Worth LLC	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Gainesville LLC	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Ltd	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Management LLC	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Oklahoma LLC	USA	Metal recycler	-	80.8%
Goldberg Industries Inc	USA	Metal recycler	-	80.8%
Great Western Recycling Inc	USA	Metal recycler	-	100%
GW Acquisition Corp	USA	Holding company	-	100%
International Shipbreaking Limited LLC	USA	Metal recycler	-	100%
Metals Reduction Company, LLC	USA	Dormant company	-	100%
Northern Metals LLC	USA	Metal recycler	-	100%
Northern Metals Recovery LLC	USA	Dormant company	-	100%
Phillips Recycling Systems LLC	USA	Metal recycler	-	100%
Reource Recycling LLC	USA	Dormant company	-	100%
Southern Recycling Sales LLC	USA	Metal recycler	-	100%
Southern Scrap Material Co LLC	USA	Dormant company	-	100%
Southern Scrap Recycling Morgan City LLC	USA	Dormant company	-	100%
SSX LLC	USA	Dormant company	-	100%
The Auto Store LLC	USA	Metal recycler	-	100%
Toy Eau Claire Properties LLC	USA	Property company	-	100%
Toy Properties LLC	USA	Property company	-	100%
Toy's Custom Shearing LLC	USA	Metal recycler	-	100%
Toy's Scrap and Salvage Corp	USA	Metal recycler	-	100%
Toy's Transport LLC	USA	Transport company	-	100%
Viking Land Holdings LLC	USA	Property company	-	100%

## Notes (continued)

### 13 Group entities (continued)

The undertakings in which the Group and Company held an interest at the year-end are as follows.

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<b><u>Joint Ventures</u></b>				
1751 Kenilworth Land, LLC	USA	Property company	-	50%
Allegany Scrap, Inc.	USA	Metal recycler	-	50%
Atlas Traders, LLC	USA	Metal recycler	-	50%
Auto Recycling Real Estate, LLC	USA	Metal recycler	-	50%
Baltimore Western Marine Terminal LLC	USA	Metal recycler	-	25%
Beaver Heights Associates, LLC	USA	Metal recycler	-	50%
Camden Iron & Metal Inc	USA	Metal recycler	-	50%
Camden Iron & Metal, LLC	USA	Metal recycler	-	50%
Camden Metal Company, Inc	USA	Metal recycler	-	50%
Capitol Heights Metal Recycling Inc	USA	Metal recycler	-	50%
Caroline Lands LLC	USA	Property company	-	50%
Caroline Scrap Metal Inc	USA	Metal recycler	-	50%
Carroll Land LLC	USA	Property company	-	50%
Carroll Scrap Metal Inc	USA	Metal recycler	-	50%
Cohen Recycling, Inc.	USA	Metal recycler	-	25%
CRI Property Co., LLC	USA	Property company	-	25%
Cumberland Land, LLC	USA	Property company	-	50%
David Paul Inv., LLC	USA	Holding company	-	50%
Day Road Land LLC	USA	Property company	-	50%
Deenah, LLC	USA	Property company	-	25%
Delco Metals Inc	USA	Metal recycler	-	50%
Delmar Industries, LLC	USA	Property company	-	50%
Dover Scrap Metal Inc	USA	Metal recycler	-	50%
Eastern Metal Recycling Inc	USA	Metal recycler	-	50%
Eastern Metal Recycling LLC	USA	Metal recycler	-	50%
Eastern Metal Recycling Terminal, LLC	USA	Metal recycler	-	50%
EMR / Smith Industries LLC	USA	Holding company	-	50%
F&K, Inc.	USA	Metal recycler	-	50%
FDR, LLC	USA	Property company	-	50%
Frederick Motor Company, Inc.	USA	Metal recycler	-	50%
Frederick Scrap Inc	USA	Metal recycler	-	50%
Fredericksburg Land LLC	USA	Property company	-	50%
General Auto Parts, Inc.	USA	Metal recycler	-	50%
Girard Point Corp	USA	Metal recycler	-	50%
Gunston Cove Land, LLC	USA	Property company	-	50%
Halethorpe Farms Land Inc.	USA	Property company	-	50%
Harbor Auto Associates LLC	USA	Metal recycler	-	50%
Harrisonburg Land, LLC	USA	Property company	-	50%
Hartly Land, LLC	USA	Property company	-	50%
Hayden Auto Service Inc	USA	Metal recycler	-	50%
Henderson Land, LLC	USA	Property company	-	50%
Henderson Scrap Metal Inc	USA	Metal recycler	-	50%
Hercules Auto Salvage, Inc.	USA	Metal recycler	-	50%
Innovative Recovery Products, LLC	USA	Metal recycler	-	50%
Johnstown Lands LLC	USA	Property company	-	50%
Johnstown Scrap Metal, Inc	USA	Metal recycler	-	50%
Joppa 420, LLC	USA	Property company	-	50%
Joppa 500, LLC	USA	Property company	-	50%
Joppa Auto Salvage, Inc.	USA	Metal recycler	-	50%
Joseph Smith & Sons, Inc.	USA	Metal recycler	-	50%
JS Trucking, Inc.	USA	Metal recycler	-	50%

## Notes (continued)

### 13 Group entities (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<i>Joint Ventures (continued)</i>				
Kenilworth Recovery Systems, LLC	USA	Metal recycler	-	50%
Kent Land, LLC	USA	Property company	-	50%
Kent Scrap Metal, Inc.	USA	Metal recycler	-	50%
L&L Acquisition Company	USA	Property company	-	50%
L&L Waste Disposal & Metal Recycling Inc.	USA	Metal recycler	-	50%
Lands of Shenandoah LLC	USA	Property company	-	50%
Lands of Somerset, LLC	USA	Property company	-	50%
Lands of Westover, LLC	USA	Property company	-	50%
Lands of Woodbridge LLC	USA	Property company	-	50%
Manassas Land, LLC	USA	Property company	-	50%
Metal Properties, Inc.	USA	Property company	-	50%
Olive Street Property, LLC	USA	Property company	-	50%
Preston Terminals Inc	USA	Metal recycler	-	50%
Prince Georges Scrap, Inc.	USA	Metal recycler	-	50%
Prince William Metal Recycling, Inc	USA	Metal recycler	-	50%
R. Kelly Freedman Holding Group, LLC	USA	Holding company	-	50%
R.P. Smith Properties, LLC	USA	Property company	-	50%
Recovermat Mid-Atlantic LLC	USA	Metal recycler	-	50%
Recovermat Technologies, Inc.	USA	Metal recycler	-	50%
Recycling Properties LLC	USA	Property company	-	50%
Rhino Recycling Inc	USA	Metal recycler	-	50%
Ritchie Road Land, LLC	USA	Property company	-	50%
RPM Realty LLC	USA	Property company	-	45%
RPS Land, LLC	USA	Property company	-	50%
RPS Marine, LLC	USA	Metal recycler	-	50%
RPS Mid-Atlantic Marine Terminal, LLC	USA	Metal recycler	-	50%
RPS Realty Holdings LLC	USA	Holding company	-	50%
S Street Land, LLC	USA	Property company	-	50%
Salisbury Scrap Metal Inc	USA	Metal recycler	-	50%
Satellite Services Inc	USA	Metal recycler	-	50%
Service Bays, LLC	USA	Metal recycler	-	50%
Shenandoah Scrap Metal Inc	USA	Metal recycler	-	50%
Smith Camden Disc Inc	USA	Holding company	-	50%
Smith CRI, LLC	USA	Metal recycler	-	50%
Smith Export Terminal, Inc.	USA	Metal recycler	-	50%
Smith Industries, Inc.	USA	Holding company	-	50%
Smith Payroll Services, Inc.	USA	Administration	-	50%
Smith Railroad Company Inc	USA	Transport company	-	50%
Somerset Scrap Metal, Inc	USA	Metal recycler	-	50%
SPC Corporation	USA	Metal recycler	-	50%
Springfield Scrap Metal Inc	USA	Metal recycler	-	50%
Sussex Scrap Metal, Inc.	USA	Metal recycler	-	50%
Tioga Real Estate, LLC	USA	Property company	-	50%
United Compressed Steel Company	USA	Metal recycler	-	50%
US Electronics Land LLC	USA	Property company	-	25%
US Electronics, LLC	USA	Metal recycler	-	25%
Vineland Processing Inc	USA	Metal recycler	-	50%
Westernport Land, LLC	USA	Property company	-	50%
Westernport Salvage, Inc.	USA	Metal recycler	-	50%
Westover Scrap Metal Inc	USA	Metal recycler	-	50%
Wicomico Land LLC	USA	Property company	-	50%
Wilmington Metal Recycling Inc	USA	Metal recycler	-	50%
Winchester Land, LLC	USA	Property company	-	50%
Winchester Scrap, Inc	USA	Metal recycler	-	50%
Woodbridge Metal Recycling Inc	USA	Metal recycler	-	50%

**Notes** *(continued)*

**14 Ultimate parent company and parent undertaking of larger group**

At the year end, the Company was a subsidiary undertaking of European Metal Recycling Limited. The ultimate controlling party is Ausurus Group Ltd.

The largest group in which the results of the Company are consolidated is that headed by Ausurus Group Ltd incorporated in England. The smallest group in which they are consolidated is that headed by European Metal Recycling Limited incorporated in England.

The consolidated financial statements of these groups are available to the public and may be obtained from Companies House.