

COMPANY REGISTRATION NUMBER 5889138

A & A RECYCLING LIMITED
UNAUDITED
FINANCIAL STATEMENTS
31ST JULY 2010



ABBOTS
Chartered Certified Accountants
Printing House,
66 Lower Road,
Harrow,
HA2 0DH

A & A RECYCLING LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

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A & A RECYCLING LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31ST JULY 2010

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31st July 2010

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was recycling waste

DIRECTOR

The director who served the company during the year was as follows

Mr J Adamberry

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Printing House
66 Lower Road
Harrow
Middlesex
HA2 0DH

Signed by order of the director


JASON HALL
Company Secretary

Approved by the director on 30th November 2010

A & A RECYCLING LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST JULY 2010

		2010	2009 (restated)
	Note	£	£
TURNOVER		891,392	795,128
Cost of sales		383,410	318,991
GROSS PROFIT		<u>507,982</u>	<u>476,137</u>
Administrative expenses		445,968	409,970
OPERATING PROFIT	2	<u>62,014</u>	<u>66,167</u>
Interest receivable		14	145
Interest payable and similar charges	3	(18,289)	(18,799)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>43,739</u>	<u>47,513</u>
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		<u><u>43,739</u></u>	<u><u>47,513</u></u>

All of the activities of the company are classed as continuing

A & A RECYCLING LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST JULY 2010

	2010	2009 (restated)
	£	£
Profit for the financial year attributable to the shareholders	43,739	47,513
Total recognised gains and losses relating to the year	<u>43,739</u>	<u>47,513</u>
Prior year adjustment (see note 4)	<u>(1,622)</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>42,117</u>	<u>47,513</u>

A & A RECYCLING LIMITED**BALANCE SHEET****31ST JULY 2010****FIXED ASSETS**

Tangible assets	5	578,535	251,103
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CURRENT ASSETS

Debtors	6	366,946	193,787
Cash at bank		6,957	20,570
		<u>373,903</u>	<u>214,357</u>

CREDITORS: Amounts falling due within one year

7	<u>729,211</u>	<u>394,898</u>
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NET CURRENT LIABILITIES

(355,308)	(180,541)
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TOTAL ASSETS LESS CURRENT LIABILITIES

<u>223,227</u>	<u>70,562</u>
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CREDITORS: Amounts falling due after more than one year

8	169,325	60,399
	<u>53,902</u>	<u>10,163</u>

CAPITAL AND RESERVES

Called-up equity share capital	12	3	3
Profit and loss account	13	53,899	10,160

SHAREHOLDERS' FUNDS

14	<u>53,902</u>	<u>10,163</u>
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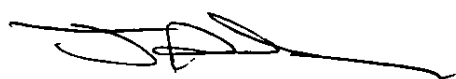
The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The director acknowledges his responsibility for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved and signed by the director and authorised for issue on 30th November 2010



MR J ADAMBERRY

Company Registration Number 5889138

The notes on pages 5 to 7 form part of these financial statements

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery	- 15% reducing balance basis
Equipment	- 15% reducing balance basis
Leasehold improvements	- 15 years straight line

Depreciation on Plant & Machinery additions is charged pro-rata in relation to the length of ownership in the year, rather than with a full years charge in the year of addition. This is considered more appropriate, given the materiality of the charge

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

1 ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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

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

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 OPERATING PROFIT

Operating profit is stated after charging

	2010	2009 <i>(restated)</i>
	£	£
Director's remuneration	—	—
Depreciation of owned fixed assets	25,969	26,250
Depreciation of assets held under hire purchase agreements	20,746	18,592
Loss on disposal of fixed assets	8,812	13,025
Operating lease costs		
- Plant and equipment	<u>16,769</u>	<u>8,135</u>

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009 (restated)
	£	£
Finance charges	13,893	11,321
Other interest and similar charges	4,396	7,478
	<u>18,289</u>	<u>18,799</u>

4. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the following

The restatement of a lease as a finance lease previously treated as an operating lease The effect of this adjustment is a reduction in profit of £1,622 for the year ended 31st July 2009

There is no tax effect resulting from these adjustments

5 TANGIBLE FIXED ASSETS

	Plant & Machinery £	Equipment £	Leasehold improvements £	Total £
COST				
At 1st August 2009	266,034	1,209	47,000	314,243
Additions	278,250	330	113,635	392,215
Disposals	(23,830)	–	–	(23,830)
At 31st July 2010	<u>520,454</u>	<u>1,539</u>	<u>160,635</u>	<u>682,628</u>
DEPRECIATION				
At 1st August 2009	55,835	255	7,050	63,140
Charge for the year	36,279	192	10,244	46,715
On disposals	(5,762)	–	–	(5,762)
At 31st July 2010	<u>86,352</u>	<u>447</u>	<u>17,294</u>	<u>104,093</u>
NET BOOK VALUE				
At 31st July 2010	<u>434,102</u>	<u>1,092</u>	<u>143,341</u>	<u>578,535</u>
At 31st July 2009	<u>210,199</u>	<u>954</u>	<u>39,950</u>	<u>251,103</u>

Hire purchase agreements

Included within the net book value of £578,535 is £275,977 (2009 - £105,354) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the year in respect of such assets amounted to £20,746 (2009 - £18,592)

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

6. DEBTORS

	2010	2009 (restated)
	£	£
Trade debtors	345,842	166,606
Other debtors	—	895
Prepayments and accrued income	21,104	26,286
	<u>366,946</u>	<u>193,787</u>

Of the trade debtors £157,006 (2009 - £ nil) is subject to invoice discounting

7. CREDITORS: Amounts falling due within one year

	2010	2009 (restated)
	£	£
Bank loans and overdrafts	38,699	72,913
Trade creditors	212,693	123,363
Other creditors including taxation and social security		
PAYE and social security	29,187	22,395
VAT	21,697	21,809
Hire purchase agreements	56,249	33,788
Directors loan account	246,100	103,766
Other creditors	122,086	14,364
Accruals and deferred income	2,500	2,500
	<u>477,819</u>	<u>198,622</u>
	<u>729,211</u>	<u>394,898</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2010	2009 (restated)
	£	£
Bank loans and overdrafts	38,699	7,510
Other creditors including taxation and social security	121,098	—
Hire purchase agreements	56,249	23,565
	<u>216,046</u>	<u>31,075</u>

The other creditors of £121,098 (2009 - £ nil) are secured by a fixed and floating charge in favour of HSBC Invoice Finance (UK) Limited over all the assets of the company

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

8. CREDITORS: Amounts falling due after more than one year

	2010	2009 (restated)
	£	£
Bank loans and overdrafts	6,006	15,466
Hire purchase agreements	163,319	44,933
	<u>169,325</u>	<u>60,399</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010	2009 (restated)
	£	£
Bank loans and overdrafts	6,006	15,466
Hire purchase agreements	163,319	44,933
	<u>169,325</u>	<u>60,399</u>

9. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2010	2009 (restated)
	£	£
Amounts payable within 1 year	82,225	42,371
Amounts payable between 1 and 2 years	65,337	31,772
Amounts payable between 3 and 5 years	134,813	18,224
	<u>282,375</u>	<u>92,367</u>
Less interest and finance charges relating to future periods	<u>(62,807)</u>	<u>(13,646)</u>
	<u>219,568</u>	<u>78,721</u>
Hire purchase agreements are analysed as follows		
Current obligations	56,249	33,788
Non-current obligations	163,319	44,933
	<u>219,568</u>	<u>78,721</u>

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

10. COMMITMENTS UNDER OPERATING LEASES

At 31st July 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2010	2009
		(restated)
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>16,769</u>	<u>14,592</u>

11. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Adamberry and Mr Hall throughout the current and previous year Mr Adamberry is the managing director

Transactions with Mr Adamberry trading as "Talking Rubbish" were as follows

Included within turnover is £66,360 (2009 - £67,666) invoiced by A & A Recycling Limited
 Included within administrative expenses is £28,500 (2009 - £18,000) invoiced by A & A Recycling Limited in respect of recharged expenses
 Included within cost of sales is £137,386 (2009 - £111,700) invoiced by A & A Recycling Limited in respect of recharged expenses

12. SHARE CAPITAL**Authorised share capital:**

	2010	2009
		(restated)
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	(restated)	
			No	£
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

13 PROFIT AND LOSS ACCOUNT

	2010	2009
		(restated)
	£	£
Balance brought forward as previously reported	11,782	(37,353)
Prior year adjustment (see note 4)	<u>(1,622)</u>	<u>-</u>
Balance brought forward restated	10,160	(37,353)
Profit for the financial year	<u>43,739</u>	<u>47,513</u>
Balance carried forward	<u>53,899</u>	<u>10,160</u>

A & A RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 2010

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009 <i>(restated)</i>
	£	£
Profit for the financial year	43,739	47,513
New ordinary share capital subscribed	—	1
Net addition to shareholders' funds/(deficit)	43,739	47,514
Opening shareholders' funds/(deficit)	11,785	(37,351)
Prior year adjustment (see note 4)	(1,622)	—
Closing shareholders' funds	<u>53,902</u>	<u>10,163</u>