

**European Metal Recycling  
(Dormant) Limited**

**Annual report and financial statements**

**Registered number 05721604**

**31 December 2018**



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## **Strategic Report**

The directors present their report and financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activity of the Company is to act as an intermediate holding company, holding shares in dormant companies on behalf of its immediate parent undertaking, European Metal Recycling Limited.

### **Business review and results**

The Company has not traded during the year or the preceding financial year. During these years, the Company has received no income and incurred no operating expenditure.

### **Principal risks and uncertainties**

The Company acts as an intermediate holding company. As such, the Company's risks are limited to the carrying value of its investments in dormant companies.

### **Going concern**

The financial statements have been prepared on the basis of the Company being a going concern, on the confirmation that the principal investor, Ausurus Group Ltd will continue to extend financial support for the Company to continue operations and to settle financial obligations as they arise. The board of directors are confident that the financial accommodation to meet the working capital requirements of the Company will be available at least for a period of twelve months from the date of the approval of the financial statements.

Signed on behalf of the Board



**Neil Stinson**  
*Director*  
1 May 2019

Sirius House  
Delta Crescent  
Westbrook  
Warrington  
WA5 7NS

## **Directors' Report**

The directors present their report and the financial statements for the year ended 31 December 2018.

### **Dividends**

The directors do not recommend the payment of a dividend (2017: £nil).

### **Directors**

The directors who served throughout the year and up to the date of this report (unless otherwise stated) are set out below:

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 KPMG LLP will therefore continue in office.

By order of the board



Neil Stinson  
Director

1 May 2019

Sirius House  
Delta Crescent  
Westbrook  
Warrington  
WA5 7NS

## **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 the 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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 (Dormant) Limited**

### **Opinion**

We have audited the financial statements of European Metal Recycling (Dormant) Limited ("the company") for the year ended 31 December 2018 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

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

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

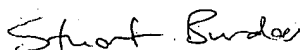
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Stuart Burdass (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
1 St Peter's Square  
Manchester  
M2 3AE  
3 May 2019

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2018*

	<i>Note</i>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Turnover</b>		-	-
Administrative expenses	2	-	-
		<hr/>	<hr/>
<b>Operating loss and loss before taxation</b>	2	-	-
Tax on profit		-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>		-	-
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of income tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		<hr/> <hr/>	<hr/> <hr/>

The accounting policies and notes on pages 9 to 13 form part of these financial statements.



**Balance Sheet**  
*at 31 December 2018*

	<i>Note</i>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	3	62,717	62,717
<b>Creditors: amounts falling due within one year</b>	4	(107,568)	(107,568)
<b>Net current liabilities</b>		(107,568)	(107,568)
<b>Total assets less current liabilities</b>		(44,851)	(44,851)
<b>Net liabilities</b>		(44,851)	(44,851)
<b>Capital and reserves</b>			
Called up share capital	5	-	-
Profit and loss account		(44,851)	(44,851)
<b>Shareholders' deficit</b>		(44,851)	(44,851)

These financial statements were approved by the board of directors on 1 May 2019 and were signed on its behalf by:



**Neil Stinson**  
*Director*

Company registered number: 05721604  
Sirius House  
Delta Crescent  
Westbrook  
Warrington  
WA5 7NS

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

## Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2017	-	(44,851)	(44,851)
<b>Total comprehensive income for the year</b>	-	-	-
Loss for the year	-	-	-
<b>Balance at 31 December 2017</b>	-	(44,851)	(44,851)

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2018	-	(44,851)	(44,851)
<b>Total comprehensive income for the period</b>	-	-	-
Loss for the year	-	-	-
<b>Balance at 31 December 2018</b>	-	(44,851)	(44,851)

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting policies

European Metal Recycling (Dormant) 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"). The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £'000.

The Company's ultimate parent undertaking, Ausurus Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Ausurus Group Limited 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 is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The directors are of the opinion that there are no judgements in the application of these accounting policies that have a significant effect on the financial statements.

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

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

Notwithstanding net current liabilities of £44,851k as at 31 December 2018 and a loss for the year then ended of £nil, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have obtained confirmation from Ausurus Group Limited, the company's ultimate parent entity, that Ausurus Group Limited will continue to make available such funds as are needed by the company for at least twelve months from the date of signing the financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.3 Functional currency

The functional currency of the Company is Sterling.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.4 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.

#### 1.5 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.

##### *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 recognised in the profit or loss account. Other investments are measured at cost less impairment in the profit or loss account.

#### 1.6 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 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 the profit or loss account. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss account.

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 Expenses and loss on ordinary activities before taxation

The Company had no employees in the current or prior year.

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. The remuneration cannot be accurately apportioned between subsidiary entities.

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

## Notes (continued)

### 3 Fixed asset investments

Shares in group undertakings	£000
<b>Cost</b>	
At 1 January 2018 and at 31 December 2018	108,618
<b>Provisions for impairment</b>	
At 1 January 2018 and at 31 December 2018	45,899
<b>Net book value</b>	
At 31 December 2018	62,717
At 31 December 2017	62,717

The subsidiary undertakings in which the Company held an interest at the year end are as follows:

		Class of shares held	percentage of shares held by company	
			2018	2017
CD Jordan and Son (Transport) Limited	*1	Ordinary	100%	100%
CD Jordan and Son Limited	*1	Ordinary	100%	100%
Cleveland Metals Limited	*1	Ordinary	100%	100%
Cooper Barnes Metals Limited	*1	Ordinary	100%	100%
Coopers Holdings Limited	*1	Ordinary	100%	100%
Coopers Metals (Holdings) Limited	*1	Ordinary	100%	100%
E Barnes & Co Limited	*1	Ordinary	100%	100%
EMR Exports Limited	*1	Ordinary	100%	100%
EMR Midland Shredders Limited	*1	Ordinary	100%	100%
EMR Shipping Limited	*1	Ordinary	100%	100%
Ever 1052 Limited	*1	Ordinary	100%	100%
Henderson Kerr (Scrap Processors) Limited	*2	Ordinary	100%	100%
Henderson Kerr Limited	*2	Ordinary	100%	100%
International Metal Recycling UK Limited	*1	Ordinary	100%	100%
Island Recycling Limited	*1	Ordinary	100%	100%
J T Broadhurst & Sons Limited	*1	Ordinary	100%	100%
Jackson Dunn Limited	*1	Ordinary	100%	100%
Jordans (Newhaven) Limited	*1	Ordinary	100%	100%
Mayer Parry (East Anglia) Limited	*1	Ordinary	100%	100%
Mayer Parry Recycling (Holdings) Limited	*1	Ordinary	100%	100%
Mayer Parry Recycling Limited	*1	Ordinary	100%	100%
Meon Valley Metals Limited	*1	Ordinary	100%	100%
Mossdale Metals (Durham City) Limited	*1	Ordinary	100%	100%
Mountstar Metal Corporation Limited	*1	Ordinary	100%	100%
Premier Granules UK Limited	*1	Ordinary	100%	100%
Robinson Group Ltd.	*1	Ordinary	100%	100%
Robinson Shipping Services Limited	*1	Ordinary	100%	100%
Scrap Processing (Portsmouth) Limited	*1	Ordinary	100%	100%
Sheppard Group Limited	*1	Ordinary	100%	100%
T Holloway & Sons (Metals) Limited	*1	Ordinary	100%	100%
T Lethbridge Limited	*1	Ordinary	100%	100%

\*1 registered office: Sirius House, Delta Crescent, Westbrook, Warrington, WA5 7NS.

\*2 registered office: Kirklee Road, Moss End, Bellshill, ML4 2QW.

## Notes (continued)

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

	2018 £000	2017 £000
Amounts owed to group undertakings	107,568	107,568

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

### 5 Called up share capital

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i> 100 (2017: 100) "A" Ordinary shares of £1 each	-	-

### 6 Related party disclosures

There were no further balances with related parties other than those disclosed in note 4.

### 7 Ultimate parent company and parent company of larger group

The Company's immediate parent undertaking is European Metal Recycling Limited, a company registered in England and Wales.

The ultimate parent undertaking is Ausurus Group Ltd, which is registered in England and Wales.

The smallest and largest groups in which the results of the Company are consolidated is that headed by European Metal Recycling Limited and Ausurus Group Ltd respectively. The consolidated financial statements of both of these groups are available to the public and may be obtained from Companies House.