

A & A RECYCLING SERVICES LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MARCH 2017



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COMPANIES HOUSE

ArmstrongWatson[®]
Accountants & Financial Advisers

A & A RECYCLING SERVICES LIMITED
REGISTERED NUMBER: 04269422

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	3	3,453,909	3,853,455
		<u>3,453,909</u>	<u>3,853,455</u>
Current assets			
Stocks	4	3,398	9,923
Debtors: amounts falling due within one year	5	999,907	1,003,076
Cash at bank and in hand		229	166
		<u>1,003,534</u>	<u>1,013,165</u>
Creditors: amounts falling due within one year	6	(2,416,215)	(2,218,678)
Net current liabilities		<u>(1,412,681)</u>	<u>(1,205,513)</u>
Total assets less current liabilities		<u>2,041,228</u>	<u>2,647,942</u>
Creditors: amounts falling due after more than one year	7	(948,612)	(1,535,179)
Provisions for liabilities			
Deferred tax	8	(204,244)	(200,600)
		<u>(204,244)</u>	<u>(200,600)</u>
Net assets		<u><u>888,372</u></u>	<u><u>912,163</u></u>

A & A RECYCLING SERVICES LIMITED
REGISTERED NUMBER: 04269422

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		887,372	911,163
		<u>888,372</u>	<u>912,163</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

8/12/17



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Mr R S Balmer

Director

The notes on pages 3 to 10 form part of these financial statements.

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

A & A Recycling Services Limited is a private company limited by shares incorporated in the United Kingdom, registration number 04269422. Its registered office and principal place of business is Clifton Moor, Clifton, Penrith, Cumbria, CA10 2EY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold property improvements	- remaining term of lease
Plant and machinery	- 15% - 25% reducing balance
Motor vehicles	- 20% - 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.10 Leased assets: the Company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2016	567,690	5,561,265	6,128,955
Additions	13,429	786,007	799,436
Disposals	-	(634,045)	(634,045)
At 31 March 2017	581,119	5,713,227	6,294,346
Depreciation			
At 1 April 2016	129,864	2,145,636	2,275,500
Charge for the year on owned assets	63,930	130,019	193,949
Charge for the year on financed assets	-	620,404	620,404
Disposals	-	(249,416)	(249,416)
At 31 March 2017	193,794	2,646,643	2,840,437
Net book value			
At 31 March 2017	387,325	3,066,584	3,453,909
At 31 March 2016	437,826	3,415,629	3,853,455

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Long leasehold	387,325	437,825
	<u>387,325</u>	<u>437,825</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	2,613,399	2,962,403
	<u>2,613,399</u>	<u>2,962,403</u>

4. Stocks

	2017 £	2016 £
Finished goods and goods for resale	3,398	9,923
	<u>3,398</u>	<u>9,923</u>

5. Debtors

	2017 £	2016 £
Trade debtors	901,882	943,105
Prepayments and accrued income	98,025	59,971
	<u>999,907</u>	<u>1,003,076</u>

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	435,780	431,189
Trade creditors	490,955	308,525
Corporation tax	118,124	49,550
Other taxation and social security	139,649	123,815
Obligations under finance lease and hire purchase contracts	1,071,204	1,165,981
Accruals and deferred income	160,503	139,618
	<u>2,416,215</u>	<u>2,218,678</u>

Included within creditors due within one year is £1,071,204 (2016 - £1,165,981) secured by the company.

7. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	948,612	1,535,179
	<u>948,612</u>	<u>1,535,179</u>

Included within creditors due after more than one year is £948,612 (2016 - £1,535,179) secured by the company.

8. Deferred taxation

	2017 £
At beginning of year	(200,600)
Charged to profit or loss	(3,644)
At end of year	<u>(204,244)</u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(204,244)
	<u>(204,244)</u>

A & A RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,627 (2016 - £nil). Contributions totalling £5,216 (2016 - £nil) were payable to the fund at the reporting date.

10. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	212,890	155,868
Later than 1 year and not later than 5 years	683,875	542,574
Later than 5 years	1,358,111	876,000
	<u>2,254,876</u>	<u>1,574,442</u>

11. Related party transactions

During the year dividends of £350,583 (2016 - £338,627) were paid to A W Jenkinson Holdings Limited.

Mr A W Jenkinson has provided a personal guarantee in respect of bank borrowings. Furthermore, rent of £49,135 (2016 - £47,790) was payable during the year in respect of a lease in the name of Mr A W Jenkinson for property occupied by the company.

12. Controlling party

The company is a 100% subsidiary of A W Jenkinson Holdings Limited, a company incorporated in the United Kingdom. Mr A W Jenkinson owns 100% of the issued share capital of A W Jenkinson Holdings Limited.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.