

Company Registration No. SC248844 (Scotland)

**A&M SMITH RECYCLING
SERVICES LIMITED**

**(FORMERLY KNOWN AS A&M
SMITH SKIP HIRE LIMITED)**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019
PAGES FOR FILING WITH REGISTRAR**

A&M SMITH RECYCLING SERVICES LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 7

A&M SMITH RECYCLING SERVICES LIMITED

BALANCE SHEET

AS AT 31 MAY 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	3		3,625,962		2,945,362
Current assets					
Debtors	4	1,366,679		1,346,502	
Cash at bank and in hand		315,223		879,965	
		<u>1,681,902</u>		<u>2,226,467</u>	
Creditors: amounts falling due within one year	5	<u>(802,813)</u>		<u>(829,545)</u>	
Net current assets			879,089		1,396,922
Total assets less current liabilities			<u>4,505,051</u>		<u>4,342,284</u>
Creditors: amounts falling due after more than one year	6		-		(73,575)
Provisions for liabilities	7		<u>(173,890)</u>		<u>(142,371)</u>
Net assets			<u>4,331,161</u>		<u>4,126,338</u>
Capital and reserves					
Called up share capital			200		200
Profit and loss reserves			<u>4,330,961</u>		<u>4,126,138</u>
Total equity			<u>4,331,161</u>		<u>4,126,338</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

A&M SMITH RECYCLING SERVICES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2019

The financial statements were approved by the board of directors and authorised for issue on 13 December 2019 and are signed on its behalf by:

S SMITH

S Smith

Director

Company Registration No. SC248844

A&M SMITH RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

A&M Smith Recycling Services Limited is a private company limited by shares incorporated in Scotland. The registered office is Bankhead Recycling Centre, Duffshill Road, Portlethen, Aberdeenshire, AB12 4RX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	5% Straight Line
Plant and machinery	25% Straight Line
Motor vehicles	25% Straight Line
Office equipment	30% Straight Line

A&M SMITH RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company only enters into basic financial transactions that result in the recognition of the financial assets and liabilities like trade and other debtors and creditors. These are measured at amortised cost and assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

1.7 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method

1.8 Taxation

The tax expense represents the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.9 Retirement benefits

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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

A&M SMITH RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

1.11 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

1.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

1.13 Provisions for liabilities

The company provides for the costs of reinstating quarrying sites where a legal or constructive obligation exists. The present value of the estimated cost of reinstatement is included within tangible fixed assets and depreciated over the life of the site. All provisions are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 45 (2018 - 41).

3 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2018	1,979,588	3,946,980	214,875	1,380,845	7,522,288
Additions	722,750	366,779	14,183	281,754	1,385,466
Disposals	-	(145,550)	-	(73,750)	(219,300)
At 31 May 2019	2,702,338	4,168,209	229,058	1,588,849	8,688,454
Depreciation and impairment					
At 1 June 2018	223,283	3,363,985	153,654	836,004	4,576,926
Depreciation charged in the year	119,560	313,235	23,620	239,304	695,719
Eliminated in respect of disposals	-	(139,465)	-	(70,688)	(210,153)
At 31 May 2019	342,843	3,537,755	177,274	1,004,620	5,062,492
Carrying amount					
At 31 May 2019	2,359,495	630,454	51,784	584,229	3,625,962
At 31 May 2018	1,756,305	582,995	61,221	544,841	2,945,362

A&M SMITH RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

3 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Motor vehicles	124,964	163,500
	<u>124,964</u>	<u>163,500</u>

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	884,126	692,264
Corporation tax recoverable	670	-
Other debtors	385,651	550,651
Prepayments and accrued income	96,232	103,587
	<u>1,366,679</u>	<u>1,346,502</u>

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	3,896	118,553
Obligations under finance leases	73,825	73,825
Trade creditors	445,349	415,239
Corporation tax	57,969	67,002
Other taxation and social security	148,454	79,860
Other creditors	9,576	9,435
Accruals and deferred income	63,744	65,631
	<u>802,813</u>	<u>829,545</u>

6 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Obligations under finance leases	-	73,575
	<u>-</u>	<u>73,575</u>

Notes

A&M SMITH RECYCLING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

7 Provisions for liabilities

	2019 £	2018 £
Landfill Restoration	142,371	142,371
Deferred tax liabilities	31,519	-
	<u>173,890</u>	<u>142,371</u>

Landfill restorations

Provision for landfill restoration reflects the company's liability under obligations to restore landfill sites to their previous condition. The provision is recognised in line with the usage of the site.

8 Related party transactions

Transactions

During the year, the company made advances to the director of £120,000. Credits were received by the company of £120,000, which resulted in a balance of £NIL (2018 - £NIL) being due from the director at the balance sheet date. The loan is unsecured and interest free with no fixed repayment terms in place.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.