

# **Armstrong Waste Management Limited**

Report and Financial Statements

Year ended

31 March 2017

Company Number SC109950

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# ARMSTRONG WASTE MANAGEMENT LIMITED

## Company Information

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<b>Directors</b>	John A Armstrong Michael Rae Brian Winter George Conchie Barbara H Armstrong John J Armstrong Janet M Hunter Joyce Armstrong
<b>Company secretary</b>	Brian Winter
<b>Registered number</b>	SC109950
<b>Registered office</b>	Newton Road Industrial Estate Glasgow Road Dumfries DG2 0EF
<b>Independent auditor</b>	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
<b>Bankers</b>	The Co-operative Bank 96 Fountainbridge Edinburgh EH3 9QA
<b>Solicitors</b>	Grieve, Grierson, Moodie & Walker 14 Castle Street Dumfries DG1 1DR

# ARMSTRONG WASTE MANAGEMENT LIMITED

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# ARMSTRONG WASTE MANAGEMENT LIMITED

## Directors' report For the year ended 31 March 2017

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The directors present their report and the financial statements for the year ended 31 March 2017.

### Principal activity

The principal activity of the company during the year was that of waste management.

### Results and dividends

The profit for the year, after taxation, amounted to £356,315 (2016 - £93,537).

### Directors

The directors who served during the year were:

John A Armstrong  
Michael Rae  
Brian Winter  
George Conchie  
Barbara H Armstrong  
John J Armstrong  
Janet M Hunter  
Joyce Armstrong

### Going Concern

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, and have not identified any material uncertainties to the company's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

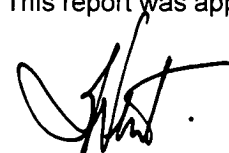
### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *30<sup>th</sup> November 2017* and signed on its behalf.



**Brian Winter**  
Director

# **ARMSTRONG WASTE MANAGEMENT LIMITED**

## **Directors' responsibilities statement For the year ended 31 March 2017**

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The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **ARMSTRONG WASTE MANAGEMENT LIMITED**

## **Independent Auditor's report to Armstrong Waste Management Limited**

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We have audited the financial statements of Armstrong Waste Management Limited for the year ended 31 March 2017 which comprise the statement of income and retained earnings, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Independent Auditor's report to Armstrong Waste Management Limited (continued)

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

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

*BDO LLP*

**Mark McCluskey** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Glasgow  
United Kingdom

*5 December 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Statement of income and retained earnings For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		5,486,943	3,562,502
Cost of sales		(4,039,878)	(2,564,791)
<b>Gross profit</b>		<b>1,447,065</b>	997,711
Administrative expenses		(957,740)	(830,632)
<b>Operating profit</b>	4	<b>489,325</b>	167,079
Interest receivable and similar income		75	110
Interest payable and expenses		(46,598)	(35,373)
<b>Profit before tax</b>		<b>442,802</b>	131,816
Tax on profit		(86,487)	(38,279)
<b>Profit after tax</b>		<b>356,315</b>	93,537
Retained earnings at the beginning of the year		2,290,502	2,196,965
		<b>2,290,502</b>	2,196,965
Profit for the year		356,315	93,537
<b>Retained earnings at the end of the year</b>		<b>2,646,817</b>	2,290,502

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 7 to 22 form part of these financial statements.

# ARMSTRONG WASTE MANAGEMENT LIMITED

Registered number: SC109950

## Balance sheet As at 31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	10	-	56,666
Tangible assets	11	3,272,859	2,824,416
		<u>3,272,859</u>	<u>2,881,082</u>
<b>Current assets</b>			
Stocks	12	68,421	21,879
Debtors: amounts falling due within one year	13	1,833,628	1,798,279
Cash at bank and in hand	14	577,248	60,312
		<u>2,479,297</u>	<u>1,880,470</u>
Creditors: amounts falling due within one year	15	(2,293,017)	(1,890,826)
<b>Net current assets/(liabilities)</b>		<u>186,280</u>	<u>(10,356)</u>
<b>Total assets less current liabilities</b>		<u>3,459,139</u>	<u>2,870,726</u>
Creditors: amounts falling due after more than one year	16	(702,815)	(379,241)
<b>Provisions for liabilities</b>			
Deferred tax	19	(57,736)	(46,715)
Other provisions	20	(51,765)	(154,262)
		<u>(109,501)</u>	<u>(200,977)</u>
<b>Net assets</b>		<u><u>2,646,823</u></u>	<u><u>2,290,508</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	6	6
Profit and loss account	22	2,646,817	2,290,502
		<u><u>2,646,823</u></u>	<u><u>2,290,508</u></u>

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 were approved and authorised for issue by the board and were signed on its behalf on 30th November 2017.

  
John A Armstrong  
Director

The notes on pages 7 to 22 form part of these financial statements.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

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### 1. General information

Armstrong Waste Management Limited is a private company incorporated in Scotland and limited by shares. Its registered office is shown on the company information page which forms part of these financial statements. The principal activities are shown in the directors' report which forms part of these financial statements.

### 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 company's functional and presentational currency is GBP. No level of rounding has been applied to these financial statements.

Information on the impact of first-time adoption of FRS 102 section 1A is given in note 26.

The preparation of financial statements in compliance with FRS 102 section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

The company has made a profit of £332,384 (2016 - £93,537) and has net assets of £2,622,892 (2016 - £2,290,508).

The directors consider it appropriate to prepare the financial statements on the going concern basis.

#### 2.3 Revenue

Revenue comprises revenue recognised by the company in respect of sale of recycling material, hire of skips and waste management services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### 2.4 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 3 years.

#### 2.5 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.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & equipment	- 10-20% straight line
Motor vehicles	- 20-50% straight line

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.

The landfill restoration and engineering assets are written off over their expected lives directly in relation to the proportion of volume infilled.

Land is not depreciated.

#### 2.6 Restoration costs

The total costs of reinstatement of soil excavation and of surface restoration are recognised as a provision when the obligation arises. The amount provided represents the directors' estimate of the present value of the future expected costs. Costs are charged to the provision as incurred and the unwinding of the discount is included in the interest charge for the year. An asset is created for an amount equivalent to the initial provision and depreciated according to the policy above.

#### 2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost includes all direct costs.

#### 2.8 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.

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are 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 income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.11 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.

#### 2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of income and retained earnings in the same period as the related expenditure.

#### 2.13 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

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### 2. Accounting policies (continued)

#### 2.14 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.

#### 2.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### 2.17 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 balance sheet 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 balance sheet 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 balance sheet date.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 2. Accounting policies (continued)

#### 2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors have identified the following areas which are deemed to be critical accounting policies or involve significant levels of estimation uncertainty:

#### Tangible Fixed Assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

#### Restoration Provision

The restoration provision is based on the total costs expected to restore the landfill site back to its original state. A significant degree of judgement is involved in estimating the costs to restore the land, with varying factors taken into consideration.

### 4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Research & development charged as an expense	1,826	1,179
Depreciation of tangible fixed assets	619,946	488,154
Amortisation of intangible assets, including goodwill	56,666	56,666
Gain on sale of fixed assets	(59,088)	(47,996)
Defined contribution pension cost	85,931	85,180
Operating lease rentals	5,200	5,200
Grant income	(22,872)	(35,997)

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 5. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	5,900	6,800
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Taxation compliance services	2,650	2,650
	<b>2,650</b>	<b>2,650</b>

### 6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Operations	28	24
Transport	9	8
Sales & marketing	1	1
Administration	5	4
	<b>43</b>	<b>37</b>

### 7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	216,585	205,295
Company contributions to defined contribution pension schemes	77,176	76,661
	<b>293,761</b>	<b>281,956</b>

The highest paid director in the year received £63,775 (2016: £62,552).

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 8. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	11,872	7,706
Other loan interest payable	5,220	7,200
Finance leases and hire purchase contracts	29,506	20,467
	<u>46,598</u>	<u>35,373</u>

### 9. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	92,647	24,108
Adjustments in respect of previous periods	(17,181)	(32,145)
<b>Total current tax</b>	<u>75,466</u>	<u>(8,037)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,290	46,316
Changes to tax rates	(2,615)	-
Adjustments in respect of prior periods	346	-
<b>Total deferred tax</b>	<u>11,021</u>	<u>46,316</u>
<b>Taxation on profit on ordinary activities</b>	<u>86,487</u>	<u>38,279</u>

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<b>442,802</b>	131,816
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	<b>88,560</b>	26,363
<b>Effects of:</b>		
Fixed asset differences	<b>71,517</b>	36,233
Expenses not deductible for tax purposes	<b>7,304</b>	7,948
Income not taxable for tax purposes	<b>(517)</b>	(556)
Adjustments to brought forward values	<b>(58,582)</b>	(15,000)
Adjustments to tax charge in respect of prior periods	<b>(17,181)</b>	(32,145)
Adjustments to tax charge in respect of previous periods - deferred tax	<b>346</b>	-
Adjust closing deferred tax to average rate of 20.00%	<b>(10,189)</b>	(5,191)
Adjust opening deferred tax to average rate of 20.00%	<b>5,229</b>	-
Deferred tax not recognised	-	20,627
<b>Total tax charge for the year</b>	<b>86,487</b>	38,279

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 10. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2016	170,000
At 31 March 2017	<u>170,000</u>
<b>Amortisation</b>	
At 1 April 2016	113,334
Charge for the year	56,666
At 31 March 2017	<u>170,000</u>
<b>Net book value</b>	
At 31 March 2017	<u>-</u>
At 31 March 2016	<u>56,666</u>

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 11. Tangible fixed assets

	Land £	Plant, equipment & motor vehicles £	Landfill engineering £	Landfill restoration £	Total £
<b>Cost</b>					
At 1 April 2016	1,458,195	4,698,130	960,611	410,005	7,526,941
Additions	53,848	661,981	297,255	55,307	1,068,391
Disposals	-	(105,443)	-	-	(105,443)
At 31 March 2017	<u>1,512,043</u>	<u>5,254,668</u>	<u>1,257,866</u>	<u>465,312</u>	<u>8,489,889</u>
<b>Depreciation</b>					
At 1 April 2016	176,060	3,443,056	716,437	366,972	4,702,525
Charge for the year	21,223	300,415	199,970	98,338	619,946
Disposals	-	(105,441)	-	-	(105,441)
At 31 March 2017	<u>197,283</u>	<u>3,638,030</u>	<u>916,407</u>	<u>465,310</u>	<u>5,217,030</u>
<b>Net book value</b>					
At 31 March 2017	<u>1,314,760</u>	<u>1,616,638</u>	<u>341,459</u>	<u>2</u>	<u>3,272,859</u>
At 31 March 2016	<u>1,282,135</u>	<u>1,255,074</u>	<u>244,174</u>	<u>43,033</u>	<u>2,824,416</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	556,040	493,953
Motor vehicles	451,872	79,844
	<u>1,007,912</u>	<u>573,797</u>

Land was valued by Colliers International in May 2017 on an open market basis. The directors have reviewed this valuation and do not consider there to be any material movement against the carrying value.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 12. Stocks

	2017 £	2016 £
Finished goods and goods for resale	68,421	21,879
	<u>68,421</u>	<u>21,879</u>

Stock recognised in cost of sales during the year as an expense was £334,680 (2016 - £254,051).

### 13. Debtors

	2017 £	2016 £
Trade debtors	1,503,150	1,436,924
Other debtors	230,712	328,235
Accrued income	99,766	-
Tax recoverable	-	33,120
	<u>1,833,628</u>	<u>1,798,279</u>

### 14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	577,248	60,312
Less: bank overdrafts	-	(291,709)
	<u>577,248</u>	<u>(231,397)</u>

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	291,709
Bank loans	138,243	-
Trade creditors	737,340	382,674
Corporation tax	89,948	24,108
Other taxation and social security	278,423	223,619
Obligations under finance lease and hire purchase contracts	221,170	251,447
Other creditors	544,706	571,569
Accruals and deferred income	283,187	145,700
	<u>2,293,017</u>	<u>1,890,826</u>

### 16. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	283,108	109,850
Net obligations under finance leases and hire purchase contracts	383,978	215,270
Other creditors	9,277	9,277
Accruals and deferred income	26,452	44,844
	<u>702,815</u>	<u>379,241</u>

#### Secured loans

The bank loans and overdrafts are secured by a bond and floating charge over the assets of the company and a standard security over land adjacent to Auchenlosh Landfill Site, Dalbeattie.

Finance lease and hire purchase creditors are secured on the assets concerned.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 17. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	138,243	-
	<u>138,243</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	283,108	109,850
	<u>283,108</u>	<u>109,850</u>
	<u>421,351</u>	<u>109,850</u>

### 18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	217,686	251,448
Between 1 - 5 years	352,703	215,270
Over 5 years	31,275	-
	<u>601,664</u>	<u>466,718</u>

### 19. Deferred taxation

	2017 £	2016 £
At beginning of year	(46,715)	(399)
Charged to profit or loss	(11,021)	(46,316)
<b>At end of year</b>	<u>(57,736)</u>	<u>(46,715)</u>

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 19. Deferred taxation (continued)

	2017 £	2016 £
Accelerated capital allowances	(57,736)	(46,715)
	<u>(57,736)</u>	<u>(46,715)</u>

### 20. Provisions

	Restoration £	Mineral Extraction £	Total £
At 1 April 2016	129,574	24,688	154,262
Unwinding of discount	7,200	-	7,200
Utilised in year	(85,009)	(24,688)	(109,697)
<b>At 31 March 2017</b>	<u>51,765</u>	<u>-</u>	<u>51,765</u>

#### Restoration

This provision related to the obligation to restore the landfill site in accordance with landfill regulations.

#### Mineral extraction

This provision relates to compensation due to a third party in relation to mineral extraction.

### 21. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
6 Ordinary shares of £1 each	<u>6</u>	<u>6</u>

Each share holds equal voting rights of the company and ranks equally in respect of distributions.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 22. Reserves

#### Profit & loss account

The profit and loss account represents the accumulated profits and losses of the company.

#### Share capital

Called up share capital reserve represents the nominal value of the shares issued.

### 23. Commitments under operating leases

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

	2017 £	2016 £
Not later than 1 year	5,200	5,200
Later than 1 year and not later than 5 years	10,000	10,000
Later than 5 years	33,540	33,540
	<u>48,740</u>	<u>48,740</u>

### 24. Related party transactions

During the year, the company transacted sales of £43,869 (2016 - £35,376) and purchases of £63,367 (2016 - £290,201) with Molplant Construction Limited, a company under common control. Included within trade debtors is an amount of £43,869 (2016 - £14,909) due from Molplant Construction Limited. Included within trade creditors is an amount of £63,367 (2016 - £49,841) due to Molplant Construction Limited.

Included within other debtors is an amount of £173,000 (2016 - £183,000) due from Armstrong Properties (Scotland) Limited, a company under common control. During the year the company transacted sales of £1,842 (2016 - £15,041) and purchases of £2,500 (2016 - £10,000) with Armstrong Properties (Scotland) Limited. Included within trade debtors is an amount of £1,842 (2016 - £2,500) due from Armstrong Properties (Scotland) Limited. Included within trade creditors is an amount of £2,500 (2016 - £2,500) due to Armstrong Properties (Scotland) Limited.

During the year the company transacted sales of £1,480 (2016 - £5,176) and purchases of £Nil (2016 - £4,522) with R Earsman Limited, a company controlled by John J Armstrong, a director. Included within trade creditors is an amount of £Nil (2016 - £492) due to R Earsman Limited. Included within trade debtors is an amount of £1,480 (2016 - £1,352) due from R Earsman Limited.

Included within other creditors is an amount of £10,470 due to J A Armstrong Trading.

Included within other creditors is an amount of £9,277 (2016: £9,277) due to J A Armstrong.

### 25. Controlling party

The company has three shareholders, none of whom has a controlling interest.

# ARMSTRONG WASTE MANAGEMENT LIMITED

## Notes to the financial statements For the year ended 31 March 2017

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### 26. 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. The date of transition to FRS 102 was 1 April 2015.