

---

**HARPERS ENVIRONMENTAL LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2011**

---

Company Registration Number 01866895

**jwpcreeers llp**  
CHARTERED ACCOUNTANTS

Genesis 5, Church Lane, Heslington, York YO10 5DQ

SATURDAY



A27      \*A15DOWHL\*      #16  
24/03/2012  
COMPANIES HOUSE

**HARPERS ENVIRONMENTAL LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	1
Statement of directors' responsibilities	3
Independent auditor's report to the shareholders	4
Group profit and loss account	6
Group balance sheet	7
Company balance sheet	8
Notes to the financial statements	9

# HARPERS ENVIRONMENTAL LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements of the group for the year ended 31 March 2011

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was that of waste disposal, bulk tankering and industrial services

The company's own results for the year ending 31 March 2011 demonstrate a positive turnaround achieved via stronger sales performance in core accounts and a restructuring of the sales and marketing function combined with achieving new business accounts and strong control of costs. The business has a progressive capital investment policy and has achieved a hard won reputation for delivery of service to its extensive customer base offering value, excellent service levels, reliability and most importantly a safe working environment for its workforce. The result is however distorted by the incidence of exceptional costs which mask the trading profit.

Harpers Environmental Limited's fundamentals remain strong with a solid and diversified service offering to our customers across the UK. The company's modern specialist fleet of vehicles services a wide range of industry sectors and a diverse variety of waste streams. The business won an international safety award in 2010 as it has in 2011 and demonstrates our continuing number one priority to health and safety of our employees in the work place.

Harpers Environmental Services Limited, continued to underperform in the year and as a consequence it was decided to impair the goodwill asset at the year end. The directors therefore made the difficult decision to place the company in administration which happened on 19 January 2012.

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,441,964 and was the result of exceptional items associated with the impairment of the goodwill in Harpers Environmental Services Limited. Exceptional items amounted to £1,506,000. Particulars of dividends paid are detailed in note 10 to the financial statements.

#### FINANCIAL INSTRUMENTS

Financial risk management objectives and policies are not material for the assessment of the assets, liabilities, financial position and profit or loss of the company and the group.

#### DIRECTORS

The directors who served the company during the year were as follows:

N H Harper  
J K Harper  
R Holley  
D M Whalley  
K C Maguire  
N El - Hindy  
Dr N El Hindy

D M Whalley retired as a director on 1 March 2011.

# HARPERS ENVIRONMENTAL LIMITED

## THE DIRECTORS' REPORT *(continued)*

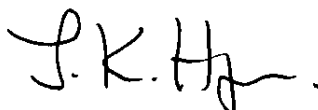
YEAR ENDED 31 MARCH 2011

### AUDITOR

JWPCreers LLP have been re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006

Registered office  
Cleveland  
Carr Lane  
Sutton-on-Forest  
York  
YO61 1EY

Signed by order of the directors



J K HARPER  
~~Company Secretary~~  
Director

Approved by the directors on 22 March 2012

**HARPERS ENVIRONMENTAL LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 MARCH 2011**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that year. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**HARPERS ENVIRONMENTAL LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**HARPERS ENVIRONMENTAL LIMITED**  
**YEAR ENDED 31 MARCH 2011**

We have audited the group and parent company financial statements ("the financial statements") of Harpers Environmental Limited for the year ended 31 March 2011 which comprise the Group Profit and Loss Account, Group Balance Sheet and Company 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities 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. 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**HARPERS ENVIRONMENTAL LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**HARPERS ENVIRONMENTAL LIMITED** *(continued)*

**YEAR ENDED 31 MARCH 2011**

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's loss 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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosure made in note 21 regarding post balance sheet events

**EMPHASIS OF MATTER**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosure made in note 21 regarding post balance sheet events

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



MR D E DORMAN FCA (Senior Statutory Auditor)  
For and on behalf of  
JWPCREERS LLP  
Chartered Accountants & Statutory Auditor

Genesis 5  
Church Lane  
Heslington  
York  
YO10 5DQ

23.3.2012

**HARPERS ENVIRONMENTAL LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>			
Continuing operations		9,229,463	6,797,120
Acquisitions		—	979,341
		<u>9,229,463</u>	<u>7,776,461</u>
<b>Group Turnover</b>		<b>9,229,463</b>	<b>7,776,461</b>
Cost of sales	2	(6,320,714)	(5,984,846)
<b>GROSS PROFIT</b>		<b>2,908,749</b>	<b>1,791,615</b>
Net operating expenses	2	<u>4,182,228</u>	<u>2,265,208</u>
<b>OPERATING LOSS</b>	3		
Continuing operations		232,081	62,727
Exceptional items		(1,505,560)	(40,037)
Acquisitions		—	(496,283)
<b>GROUP OPERATING LOSS</b>		<b>(1,273,479)</b>	<b>(473,593)</b>
Interest receivable		1	3,387
Interest payable and similar charges	7	(138,063)	(73,440)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,411,541)</b>	<b>(543,646)</b>
Tax on loss on ordinary activities	8	30,423	26,643
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>9</b>	<b>(570,289)</b>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the  
year as set out above

The company has taken advantage of section 408 of the Companies Act 2006  
not to publish its own Profit and Loss Account

The notes on pages 9 to 20 form part of these financial statements

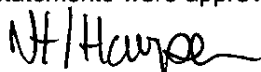


**HARPERS ENVIRONMENTAL LIMITED**  
**GROUP BALANCE SHEET**  
**31 MARCH 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Intangible assets	11	—	1,901,424
Tangible assets	12	<u>4,620,571</u>	<u>4,940,031</u>
		<u>4,620,571</u>	<u>6,841,455</u>
<b>CURRENT ASSETS</b>			
Stock	14	116,126	29,682
Debtors	15	2,286,423	2,262,942
Cash at bank and in hand		<u>10,627</u>	<u>3,685</u>
		<u>2,413,176</u>	<u>2,296,309</u>
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>3,471,998</u>	<u>3,943,043</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,058,822)</u>	<u>(1,646,734)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,561,749</u>	<u>5,194,721</u>
<b>CREDITORS. Amounts falling due after more than one year</b>	17	<u>1,445,175</u>	<u>1,600,322</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	19	<u>225,419</u>	<u>220,744</u>
		<u>1,891,155</u>	<u>3,373,655</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	22	55,050	55,050
Share premium account	23	1,725	1,725
Revaluation reserve	23	359,487	359,487
Other reserves	23	3,050	3,050
Profit and loss account	23	<u>1,471,843</u>	<u>2,954,343</u>
<b>SHAREHOLDERS' FUNDS</b>	24	<u>1,891,155</u>	<u>3,373,655</u>

These financial statements were approved by the directors and authorised for issue on 16 March 2012, and are signed on their behalf by

N H HARPER



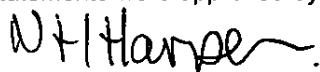
The notes on pages 9 to 20 form part of these financial statements.

**HARPERS ENVIRONMENTAL LIMITED**  
**COMPANY BALANCE SHEET**  
**31 MARCH 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	12	3,193,245	3,362,092
Investments	13	—	2,222,247
		<u>3,193,245</u>	<u>5,584,339</u>
<b>CURRENT ASSETS</b>			
Stock	14	116,126	29,682
Debtors	15	1,957,737	2,506,992
Cash at bank and in hand		9,107	2,101
		<u>2,082,970</u>	<u>2,538,775</u>
<b>CREDITORS. Amounts falling due within one year</b>	16	<u>2,899,687</u>	<u>2,616,573</u>
<b>NET CURRENT LIABILITIES</b>		<u>(816,717)</u>	<u>(77,798)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,376,528</u>	<u>5,506,541</u>
<b>CREDITORS Amounts falling due after more than one year</b>	17	1,410,811	1,570,921
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	19	225,419	220,744
		<u>740,298</u>	<u>3,714,876</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	22	55,050	55,050
Share premium account	23	1,725	1,725
Other reserves	23	3,050	3,050
Profit and loss account	23	680,473	3,655,051
<b>SHAREHOLDERS' FUNDS</b>		<u>740,298</u>	<u>3,714,876</u>

These financial statements were approved by the directors and authorised for issue on 16 March 2012, and are signed on their behalf by

N H HARPER



Company Registration Number 01866895

The notes on pages 9 to 20 form part of these financial statements.

# HARPERS ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

#### 1 ACCOUNTING POLICIES

##### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

##### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

##### Turnover

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

##### Goodwill

Goodwill has been fully written off in the consolidated accounts.

##### Amortisation

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

Goodwill	-	over 20 years
----------	---	---------------

##### Fixed assets

All fixed assets are initially recorded at cost.

##### Depreciation

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

Freehold Property	-	over 25 years
Leasehold Property	-	4% Straight line
Plant & Machinery	-	10% Straight line
Fixtures & Fittings	-	10-20% Straight line
Motor Vehicles	-	10-25% Straight line

No depreciation has been provided in respect of freehold buildings where the directors consider their residual value to approximate to cost, such that any depreciation charge would not be material.

##### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# HARPERS ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

#### 1 ACCOUNTING POLICIES *(continued)*

##### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

##### **Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

##### **Deferred taxation**

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

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

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

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

##### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

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

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

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**2 ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES**

	Continuing operations £	Acquired operations £	Total £
<b>YEAR ENDED 31 MARCH 2011</b>			
Cost of sales	<u>6,320,714</u>	<u>-</u>	<u>6,320,714</u>
Administrative expenses	<u>4,182,228</u>	<u>-</u>	<u>4,182,228</u>
Net operating expenses	<u>4,182,228</u>	<u>-</u>	<u>4,182,228</u>
<b>YEAR ENDED 31 MARCH 2010</b>			
Turnover	6,797,120	979,341	7,776,461
Cost of sales	4,682,625	1,302,221	5,984,846
Gross profit/(loss)	<u>2,114,495</u>	<u>(322,880)</u>	<u>1,791,615</u>
Administrative expenses	2,091,805	173,403	2,265,208
Net operating expenses	<u>2,091,805</u>	<u>173,403</u>	<u>2,265,208</u>
Operating profit/(loss)	<u>22,690</u>	<u>(496,283)</u>	<u>(473,593)</u>

**3 OPERATING LOSS**

Operating loss is stated after charging/(crediting)

	2011 £	2010 £
Amortisation of intangible assets	1,901,424	100,075
Depreciation of owned fixed assets	423,412	430,784
Depreciation of assets held under hire purchase agreements	388,184	405,026
Profit on disposal of fixed assets	(11,716)	(15,316)
Auditor's remuneration		
- as auditor	27,750	19,000
Operating lease costs		
- Other	<u>46,384</u>	<u>42,120</u>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**4 PARTICULARS OF EMPLOYEES**

The average number of staff employed by the group during the financial year amounted to

	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No</b>
Number of operating staff	<b>79</b>	<b>75</b>
Number of administrative staff	<b>20</b>	<b>18</b>
	<b><u>99</u></b>	<b><u>93</u></b>

The aggregate payroll costs of the above were

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,842,652</b>	<b>2,654,882</b>
Social security costs	<b>33,054</b>	<b>23,546</b>
Other pension costs	<b>26,637</b>	<b>16,920</b>
Compensation for loss of office	<b>24,218</b>	<b>40,037</b>
	<b><u>2,926,561</u></b>	<b><u>2,735,385</u></b>

**5 DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	<b>266,498</b>	<b>340,366</b>
Value of company pension contributions to money purchase schemes	<b>26,637</b>	<b>16,920</b>
	<b><u>293,135</u></b>	<b><u>357,286</u></b>

**Remuneration of highest paid director**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Total remuneration (excluding pension contributions)	<b><u>77,254</u></b>	<b><u>77,182</u></b>

The number of directors who accrued benefits under company pension schemes was as follows

	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<b><u>1</u></b>	<b><u>1</u></b>

**6. EXCEPTIONAL ITEMS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Recognised in arriving at operating loss		
Compensation for loss of office	<b>24,218</b>	<b>40,037</b>
Write back of corporation tax provision	<b>(420,082)</b>	<b>-</b>
Amortisation of intangible asset	<b>1,901,424</b>	<b>-</b>
	<b><u>1,505,560</u></b>	<b><u>40,037</u></b>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**7 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011 £	2010 £
Finance charges	26,691	35,039
Other similar charges payable	111,372	38,401
	<u>138,063</u>	<u>73,440</u>

**8 TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year at 21% (2010 - 28%)	25,748	-
Total current tax	25,748	-
Deferred tax		
Origination and reversal of timing differences	4,675	26,643
Tax on loss on ordinary activities	30,423	26,643

**(b) Factors affecting current tax charge**

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2010 - 28%)

	2011 £	2010 £
Loss on ordinary activities before taxation	(1,411,541)	(543,646)
Loss on ordinary activities by rate of tax	(609,760)	(152,221)
Non deductible expenses	632,881	98,769
Depreciation add back	119,697	204,051
Capital allowances	(117,070)	(184,992)
Other tax adjustments	-	34,393
Total current tax (note 8(a))	<u>25,748</u>	<u>-</u>

**9 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The operating profit of the parent company dealt with in its financial statements was £233,890 before interest, tax and exceptional items compared to a prior year loss of £88,996 representing a significant turn-around in the core business in the year

After tax, exceptional items and exceptional amounts written off investments the loss of the parent company was £2,934,042 (2010 - £229,166)

# HARPERS ENVIRONMENTAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2011

#### 10 DIVIDENDS

##### Equity dividends

	2011 £	2010 £
Paid during the year		
Equity dividends on ordinary shares	<u>40,536</u>	<u>43,135</u>

#### 11 INTANGIBLE FIXED ASSETS

##### Group

##### Goodwill £

##### COST

At 1 April 2010 and 31 March 2011

2,001,499

##### AMORTISATION

At 1 April 2010

100,075

Charge for the year

1,901,424

At 31 March 2011

2,001,499

##### NET BOOK VALUE

At 31 March 2011

—

At 31 March 2010

1,901,424

#### 12 TANGIBLE FIXED ASSETS

##### Group

	Freehold Property £	Leasehold Property improvements £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>						
At 1 Apr 2010	1,422,154	411,455	1,953,156	374,862	6,575,312	10,736,939
Additions	83,017	—	11,021	10,276	405,082	509,396
Disposals	—	—	(29,999)	—	(214,738)	(244,737)
At 31 Mar 2011	<u>1,505,171</u>	<u>411,455</u>	<u>1,934,178</u>	<u>385,138</u>	<u>6,765,656</u>	<u>11,001,598</u>
<b>DEPRECIATION</b>						
At 1 Apr 2010	60,905	55,159	1,440,333	224,655	4,015,856	5,796,908
Charge for the year	46,677	10,872	198,173	55,907	499,967	811,596
On disposals	—	—	(21,746)	—	(205,731)	(227,477)
At 31 Mar 2011	<u>107,582</u>	<u>66,031</u>	<u>1,616,760</u>	<u>280,562</u>	<u>4,310,092</u>	<u>6,381,027</u>
<b>NET BOOK VALUE</b>						
At 31 Mar 2011	<u>1,397,589</u>	<u>345,424</u>	<u>317,418</u>	<u>104,576</u>	<u>2,455,564</u>	<u>4,620,571</u>
At 31 Mar 2010	<u>1,361,249</u>	<u>356,296</u>	<u>512,823</u>	<u>150,207</u>	<u>2,559,456</u>	<u>4,940,031</u>



**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**12 TANGIBLE FIXED ASSETS (continued)****Hire purchase agreements**

Included within the net book value of £4,620,571 is £2,145,470 (2010 - £2,172,430) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £388,184 (2010 - £405,026)

**Capital commitments**

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>47,096</u>	<u>-</u>

Company	Freehold Property £	Leasehold Property improvements £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>						
At 1 Apr 2010	410,104	165,009	820,478	335,950	6,575,312	8,306,853
Additions	2,969	-	4,684	8,534	405,082	421,269
Disposals	-	-	-	-	(214,738)	(214,738)
<b>At 31 Mar 2011</b>	<u>413,073</u>	<u>165,009</u>	<u>825,162</u>	<u>344,484</u>	<u>6,765,656</u>	<u>8,513,384</u>
<b>DEPRECIATION</b>						
At 1 Apr 2010	-	38,207	677,741	212,957	4,015,856	4,944,761
Charge for the year	-	6,600	27,526	47,016	499,967	581,109
On disposals	-	-	-	-	(205,731)	(205,731)
<b>At 31 Mar 2011</b>	<u>-</u>	<u>44,807</u>	<u>705,267</u>	<u>259,973</u>	<u>4,310,092</u>	<u>5,320,139</u>
<b>NET BOOK VALUE</b>						
<b>At 31 Mar 2011</b>	<u>413,073</u>	<u>120,202</u>	<u>119,895</u>	<u>84,511</u>	<u>2,455,564</u>	<u>3,193,245</u>
At 31 Mar 2010	410,104	126,802	142,737	122,993	2,559,456	3,362,092

**Hire purchase agreements**

Included within the net book value of £3,193,245 is £2,145,319 (2010 - £2,169,435) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £385,340 (2010 - £367,858)

**Capital commitments**

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>47,096</u>	<u>-</u>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**13. INVESTMENTS**

Company	Group companies £
<b>COST</b>	
At 1 April 2010 and 31 March 2011	<u>2,222,247</u>
<b>AMOUNTS WRITTEN OFF</b>	
Written off in year	<u>2,222,247</u>
At 31 March 2011	<u>2,222,247</u>
<b>NET BOOK VALUE</b>	
At 31 March 2011	<u>-</u>
At 31 March 2010	<u>2,222,247</u>

The cost of the investment in Harpers Environmental Services Limited has been written off in these financial statements

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
<b>Subsidiary undertakings</b>				
All held by the company				
Harpers Environmental Services Limited	England	Ordinary shares	100%	Disposal and treatment of liquid waste
				2011 £
				2010 £
<b>Aggregate capital and reserves</b>				
Harpers Environmental Services Limited				<u>380,707</u>
				<u>(20,398)</u>
<b>Profit and (loss) for the year</b>				
Harpers Environmental Services Limited				<u>405,105</u>
				<u>(812,100)</u>

**14. STOCKS**

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Work in progress	68,901	3,385	68,901	3,385
Finished goods	<u>47,225</u>	<u>26,297</u>	<u>47,225</u>	<u>26,297</u>
	<u>116,126</u>	<u>29,682</u>	<u>116,126</u>	<u>29,682</u>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**15. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,213,763	2,232,260	1,912,365	1,763,039
Amounts owed by group undertakings	—	—	—	713,271
Other debtors	12,159	—	12,159	—
Prepayments and accrued income	60,501	30,682	33,213	30,682
	<u>2,286,423</u>	<u>2,262,942</u>	<u>1,957,737</u>	<u>2,506,992</u>

**16 CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Advances in respect of factored debts	776,682	909,628	672,788	847,251
Bank loans and overdrafts	195,991	239,716	80,643	84,614
Trade creditors	1,488,370	986,744	1,263,209	797,824
Hire purchase agreements	448,526	483,459	448,315	464,935
Directors' loan accounts	50,000	—	50,000	—
Other creditors including taxation	—	—	—	—
Corporation tax	25,748	335,573	25,748	—
VAT	179,437	292,034	180,097	238,836
Other creditors	48,168	26,314	48,168	26,313
Accruals and deferred income	259,076	669,575	130,719	156,800
	<u>3,471,998</u>	<u>3,943,043</u>	<u>2,899,687</u>	<u>2,616,573</u>

The bank indebtedness is secured by a debenture over the assets and undertakings of Harpers Environmental Limited and Harpers Environmental Services Limited and a legal first charge over land and buildings at Holden Close, Bolckow Industrial Estate, Middlesbrough

Harpers Environmental Limited and Harpers Environmental Services Limited have entered into an unlimited inter company cross guarantee in respect of amounts owing to the bank by these companies

Hire purchase borrowings are secured against the assets to which they relate

**17 CREDITORS: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	729,996	792,419	695,632	763,169
Hire purchase agreements	715,179	807,903	715,179	807,752
	<u>1,445,175</u>	<u>1,600,322</u>	<u>1,410,811</u>	<u>1,570,921</u>

**18 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts payable within 1 year	448,526	483,459	448,315	464,935
Amounts payable between 2 to 5 years	715,179	807,903	715,179	807,752
	<u>1,163,705</u>	<u>1,291,362</u>	<u>1,163,494</u>	<u>1,272,687</u>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**19. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision brought forward	<b>220,744</b>	179,993	<b>220,744</b>	179,993
Increase in provision	<b>4,675</b>	40,751	<b>4,675</b>	40,751
Provision carried forward	<b><u>225,419</u></b>	<u>220,744</u>	<b><u>225,419</u></b>	<u>220,744</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

<b>Group</b>	<b>2011</b>		<b>2010</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	<b><u>225,419</u></b>	<u>-</u>	<b><u>220,744</u></b>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

<b>Company</b>	<b>2011</b>		<b>2010</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	<b><u>225,419</u></b>	<u>-</u>	<b><u>220,744</u></b>	<u>-</u>

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below

<b>Group</b>	<b>2011</b>		<b>2010</b>	
	<b>Land and buildings</b>	<b>Other items</b>	<b>Land and buildings</b>	<b>Other items</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Within 1 year	-	<b>23,649</b>	-	1,264
Within 2 to 5 years	-	<b>39,195</b>	-	33,382
After more than 5 years	<b><u>16,959</u></b>	<u>-</u>	<u>16,959</u>	<u>-</u>
	<b><u>16,959</u></b>	<b><u>62,844</u></b>	<u>16,959</u>	<u>34,646</u>

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below

<b>Company</b>	<b>2011</b>		<b>2010</b>	
	<b>Land and buildings</b>	<b>Other items</b>	<b>Land and buildings</b>	<b>Other items</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Within 1 year	-	<b>19,831</b>	-	1,264
Within 2 to 5 years	-	<b>23,493</b>	-	33,382
After more than 5 years	<b><u>16,959</u></b>	<u>-</u>	<u>16,959</u>	<u>-</u>
	<b><u>16,959</u></b>	<b><u>43,324</u></b>	<u>16,959</u>	<u>34,646</u>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**21. RELATED PARTY TRANSACTIONS**

The company was under the control of NH and JK Harper, two of the directors throughout the current and previous year

During the year the company paid rent to NH Harper amounting to £46,384 (2010 £42,120)

Dividends of £40,536 (2010 £43,135) were paid to J K Harpers during the year

**22 SHARE CAPITAL**

**Authorised share capital.**

	2011 £	2010 £
168,960 Ordinary Class A shares of £1 each	168,960	168,960
9,690 Ordinary Class B shares of £1 each	9,690	9,690
21,350 Ordinary Class C shares of £1 each	21,350	21,350
	<u>200,000</u>	<u>200,000</u>

**Allotted, called up and fully paid**

	2011 No	£	2010 No	£
33,550 Ordinary Class A shares of £1 each	33,550	33,550	33,550	33,550
150 Ordinary Class B shares of £1 each	150	150	150	150
21,350 Ordinary Class C shares of £1 each	21,350	21,350	21,350	21,350
	<u>55,050</u>	<u>55,050</u>	<u>55,050</u>	<u>55,050</u>

**23. RESERVES**

Group	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	1,725	359,487	3,050	2,954,343
Loss for the year	—	—	—	(1,441,964)
Equity dividends	—	—	—	(40,536)
Balance carried forward	<u>1,725</u>	<u>359,487</u>	<u>3,050</u>	<u>1,471,843</u>

**HARPERS ENVIRONMENTAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**23 RESERVES (continued)**

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	1,725	3,050	3,655,051
Loss for the year	—	—	(2,934,042)
Equity dividends	—	—	(40,536)
Balance carried forward	<u>1,725</u>	<u>3,050</u>	<u>680,473</u>

**24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
Loss for the financial year	(1,441,964)	(570,289)
Other net recognised gains and losses	—	359,487
Equity dividends	(40,536)	(43,135)
Net reduction to shareholders' funds	(1,482,500)	(253,937)
Opening shareholders' funds	3,373,655	3,627,592
Closing shareholders' funds	<u>1,891,155</u>	<u>3,373,655</u>

**25 SHARE OPTIONS**

The company has a share option scheme for individuals (including directors) Options are exercisable at a set price

On 29 May 2008 the company granted 9,690 options at £12.50 per ordinary B share. The vesting period is limited to 10 years from the date of granting. The exercise of the options also depends on meeting specific criteria. The options are settled in equity once exercised.

The fair value of these shares has been deemed to be £11.60 on the basis of an unrestricted market value for the class B ordinary shares.

**26 POST BALANCE SHEET EVENTS**

A subsidiary company (Harpers Environmental Services Limited) entered into Administration on 19<sup>th</sup> January 2012. The disposal realised £210,000 which relieved the group from future disposal liabilities. The asset value was held at £1,427,326 however this disposal eliminated a cash drain on the business.

**27 ACQUISITIONS AND DISPOSALS**

Harpers Environmental Limited acquired all the share capital of Harpers Environmental Services Limited (formerly UK Resource Management Limited) on 11 August 2009.