

REGISTERED NUMBER: 01866895 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2018
for
Harpers Environmental Limited

Contents of the Financial Statements
for the Year Ended 31 March 2018

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15

Harpers Environmental Limited

Company Information
for the Year Ended 31 March 2018

DIRECTORS:

N H Harper
Mrs J K Harper
M B Bristow
N El-Hindy
Mrs N A H El-Hindy

REGISTERED OFFICE:

Cleveland
Carr Lane
Sutton On The Forest
York
YO61 1EY

REGISTERED NUMBER:

01866895 (England and Wales)

AUDITORS:

Richard Smedley Limited
Chartered Accountants & Registered Auditors
2nd Floor, Woodside House
261 Low Lane
Horsforth
Leeds
West Yorkshire
LS18 5NY

Strategic Report
for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

It has come to our attention that there were two inaccurate statements in the company's 2016/17 accounts. For the record, we wish to correct these.

On page 2 of the 2016/17 Strategic Report, the accounts state that "the previous management team had their employments terminated after the year end....." This is an error and the accounts should have instead stated " A new management team was appointed following the departure of the previous management team".

On page 4 of the 2016/17 Directors' Report, the accounts state that C J Perry ceased to be a director after 31 March 2017 but prior to the date of this report". This should have instead stated "C J Perry having resigned as a director after 31 March 2017 but prior to the date of this report".

The company's Board of Directors apologise for any inconvenience that may have been caused as a result of these statements.

REVIEW OF BUSINESS

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Their review is consistent with the size and complexity of the business and is written in the context of the risk and uncertainties they face.

The year ended 31 March 2018 proved to be a much improved year, resulting in an operating profit before exceptional items of £1,109,016 (2017: operating profit of £109,376) and an operating profit after exceptional items of £1,028,564 (2017: operating loss of £869,639).

The company continued to be awarded new decontamination work in the year and due to the company's hard work turnover has increased from £8,071,907 in 2017 to £10,499,731 in 2018.

Shareholders' funds have increased from £1,048,137 in 2017 to £1,885,263 in 2018.

The company's emphasis on having knowledgeable, well trained employees and to deliver a first class service has been rewarded with these much improved results.

Strategic Report
for the Year Ended 31 March 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks and uncertainties facing the company are:

Competitive risk:

Harpers Environmental Limited has a wide and diversified customer base serving large and small businesses across many industry sectors. Certain larger but lower margin contracts if lost would hinder the business in the short term but not affect it materially going forward.

Exposure to credit risk

Credit risk is tightly managed by the directors. Debtor dilution is monitored closely. Initial and ongoing credit limits are reviewed to reflect the customer debtor levels while taking into account payment history. Review at senior management level is regularly undertaken.

Liquidity risk:

Cash flow is managed closely with regular revenue and cash collection forecasting supported by senior management undertaking weekly business and sales updates. Supplier exposure is managed to ensure all obligations are met on a timely basis.

ON BEHALF OF THE BOARD:

M B Bristow - Director

26 October 2018

Harpers Environmental Limited (Registered number: 01866895)

Report of the Directors
for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

On page 4 of the Director' Report, the 2016/17 accounts stated that "C J Perry ceased to be a director after 31 March 2017 but prior to the date of this report". This should have instead stated " C J Perry having resigned as a director after 31 March 2017 but prior to the date of this report"

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of waste disposal and industrial services.

DIVIDENDS

Interim dividends per share on the Ordinary C £1 shares were paid as follows:

0.293	- 30 May 2017
0.785	- 30 June 2017
0.293	- 31 July 2018
0.293	- 29 August 2017
0.293	- 29 September 2017
0.293	- 30 October 2017
0.293	- 29 November 2017
0.293	- 29 December 2017
0.293	- 29 January 2018
0.293	- 1 March 2018
0.293	- 29 March 2018
<u>3.72</u>	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary A £1 shares. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary B £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 March 2018 will be £ 87,357 .

FUTURE DEVELOPMENTS

The directors remain optimistic about future developments and intend to continue to expand the company's operations and profits, whilst maintaining efficiencies within the company. The company continues to be awarded new decontamination work and to enter new markets through their knowledge and service.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

N H Harper
Mrs J K Harper
M B Bristow
N El-Hindy
Mrs N A H El-Hindy

Report of the Directors
for the Year Ended 31 March 2018

DIRECTORS - continued

Other changes in directors holding office are as follows:

C J Perry - resigned 8 May 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

M B Bristow - Director

26 October 2018

Report of the Independent Auditors to the Members of Harpers Environmental Limited

Opinion

We have audited the financial statements of Harpers Environmental Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of Harpers Environmental Limited

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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Harpers Environmental Limited**

Use of our report

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 a Report of the Auditors 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.

Richard Smedley (Senior Statutory Auditor)
for and on behalf of Richard Smedley Limited
Chartered Accountants & Registered Auditors
2nd Floor, Woodside House
261 Low Lane
Horsforth
Leeds
West Yorkshire
LS18 5NY

26 October 2018

Harpers Environmental Limited (Registered number: 01866895)

Income Statement
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
TURNOVER		10,499,731	8,071,907
Cost of sales		<u>7,090,815</u>	<u>5,705,332</u>
GROSS PROFIT		3,408,916	2,366,575
Administrative expenses		<u>2,380,352</u>	<u>3,289,524</u>
		1,028,564	(922,949)
Other operating income		<u>-</u>	<u>53,310</u>
OPERATING PROFIT/(LOSS)	4	1,028,564	(869,639)
Interest payable and similar expenses	6	<u>87,325</u>	<u>112,935</u>
PROFIT/(LOSS) BEFORE TAXATION		941,239	(982,574)
Tax on profit/(loss)	7	<u>16,756</u>	<u>(226,678)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		924,483	(755,896)

The notes form part of these financial statements

Harpers Environmental Limited (Registered number: 01866895)

Other Comprehensive Income
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
PROFIT/(LOSS) FOR THE YEAR		924,483	(755,896)
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>924,483</u>	<u>(755,896)</u>

The notes form part of these financial statements

Harpers Environmental Limited (Registered number: 01866895)**Balance Sheet**
31 March 2018

	Notes	31.3.18 £	£	31.3.17 £	£
FIXED ASSETS					
Tangible assets	9		3,571,742		3,851,083
CURRENT ASSETS					
Stocks	10	293,521		290,442	
Debtors	11	2,521,113		1,667,348	
Cash at bank and in hand		<u>323,922</u>		<u>1,859</u>	
		3,138,556		1,959,649	
CREDITORS					
Amounts falling due within one year	12	<u>3,155,000</u>		<u>3,211,041</u>	
NET CURRENT LIABILITIES			(16,444)		(1,251,392)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,555,298		2,599,691
CREDITORS					
Amounts falling due after more than one year	13		(1,404,570)		(1,299,772)
PROVISIONS FOR LIABILITIES	16		(265,465)		(251,782)
NET ASSETS			<u>1,885,263</u>		<u>1,048,137</u>
CAPITAL AND RESERVES					
Called up share capital	17		75,719		75,719
Share premium	18		49,918		49,918
Retained earnings	18		<u>1,759,626</u>		<u>922,500</u>
SHAREHOLDERS' FUNDS			<u>1,885,263</u>		<u>1,048,137</u>

The financial statements were approved by the Board of Directors on 26 October 2018 and were signed on its behalf by:

N H Harper - Director

The notes form part of these financial statements

Harpers Environmental Limited (Registered number: 01866895)

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	75,719	1,719,743	49,918	1,845,380
Changes in equity				
Dividends	-	(41,347)	-	(41,347)
Total comprehensive income	-	(755,896)	-	(755,896)
Balance at 31 March 2017	<u>75,719</u>	<u>922,500</u>	<u>49,918</u>	<u>1,048,137</u>
Changes in equity				
Dividends	-	(87,357)	-	(87,357)
Total comprehensive income	-	924,483	-	924,483
Balance at 31 March 2018	<u>75,719</u>	<u>1,759,626</u>	<u>49,918</u>	<u>1,885,263</u>

The notes form part of these financial statements

Harpers Environmental Limited (Registered number: 01866895)**Cash Flow Statement
for the Year Ended 31 March 2018**

	Notes	31.3.18 £	31.3.17 £
Cash flows from operating activities			
Cash generated from operations	1	610,460	807,378
Interest paid		(28,931)	(47,597)
Interest element of hire purchase payments paid		(58,394)	(65,338)
Tax paid		(25,647)	40,464
Net cash from operating activities		<u>497,488</u>	<u>734,907</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(448,991)	(223,701)
Sale of tangible fixed assets		4,501	143,273
Net cash from investing activities		<u>(444,490)</u>	<u>(80,428)</u>
Cash flows from financing activities			
New hire purchase in year		842,030	410,371
Capital repayments in year		(545,408)	(1,205,860)
Amount introduced by directors		62,300	(92,676)
Amount withdrawn by directors		(2,500)	-
Share issue		-	19,439
Equity dividends paid		(87,357)	(41,347)
Net cash from financing activities		<u>269,065</u>	<u>(910,073)</u>
Increase/(decrease) in cash and cash equivalents		<u>322,063</u>	<u>(255,594)</u>
Cash and cash equivalents at beginning of year	2	1,859	257,453
Cash and cash equivalents at end of year	2	<u>323,922</u>	<u>1,859</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2018**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.18	31.3.17
	£	£
Profit/(loss) before taxation	941,239	(982,574)
Depreciation charges	724,098	678,872
Profit on disposal of fixed assets	(264)	(43,550)
Finance costs	87,325	112,935
	1,752,398	(234,317)
Increase in stocks	(3,079)	(102,956)
(Increase)/decrease in trade and other debtors	(829,198)	1,050,085
(Decrease)/increase in trade and other creditors	(309,661)	94,566
Cash generated from operations	610,460	807,378

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	323,922	1,859

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	1,859	257,453

Notes to the Financial Statements
for the Year Ended 31 March 2018

1. STATUTORY INFORMATION

Harpers Environmental Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

Going concern

After reviewing the company's forecasts and projections, the directors are confident the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from the estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Operating lease commitments

The company has entered into commercial leases as lessee to obtain the use of property, plant and equipment. The classification of such leases as operating or finance leases requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires the recognition of an asset and liability in the balance sheet. All commercial leases are deemed to be operating leases. Details of the minimum lease payments in relation to these leases can be found at note 14.

The following are the company's key sources of estimation uncertainty:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually and are amended when necessary to reflect current estimates. No such amendments were deemed necessary during the year ended 31 March 2018. See note 9 for the carrying amount of fixed assets, and note 2 for the useful economic lives for each class of asset.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised at the point when the service has been performed and when the risks are rewards are transferred to the customer.

Contracts, which are not long term, are accounted for at the value of the work carried out each month.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 4% on cost
Plant and machinery	- 33.33% on cost, 25% on cost and 10% on cost
Fixtures and fittings	- 33.33% on cost, 20% on cost and 10% on cost
Motor vehicles	- 33.33% on cost, 25% on cost and Straight line over 15 years

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

Work in progress

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Invoice financing

The invoice financing creditor represents amounts received in respect of financed debts. There is full recourse to the company for losses on debts, and so the financial debts continue to be recognised on the balance sheet. Interest and other charges relating to invoice financing are recognised in the profit and loss account over the relevant period.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial liabilities and equity instrument are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences as 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 distribution relating to equity instruments are debited direct to equity.

3. EMPLOYEES AND DIRECTORS

	31.3.18	31.3.17
	£	£
Wages and salaries	2,923,565	2,817,954
Social security costs	307,666	288,340
Other pension costs	511	15,686
	<u>3,231,742</u>	<u>3,121,980</u>

The average number of employees during the year was as follows:

	31.3.18	31.3.17
Operating staff	65	64
Administrative staff	26	26
	<u>91</u>	<u>90</u>

	31.3.18	31.3.17
	£	£
Directors' remuneration	73,006	211,081
Directors' pension contributions to money purchase schemes	511	15,686

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>3</u>
------------------------	-----------------	----------

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

4. OPERATING PROFIT/(LOSS)

The operating profit (2017 - operating loss) is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Plant leasing charges	210,538	164,807
Other operating leases	48,533	47,927
Depreciation - owned assets	206,980	110,006
Depreciation - assets on hire purchase contracts	517,117	568,866
Profit on disposal of fixed assets	(264)	(43,550)
Auditors' remuneration	8,000	6,765
Other non audit services	7,590	-

5. EXCEPTIONAL ITEMS

	31.3.18	31.3.17
	£	£
Exceptional items	(80,452)	(979,015)

The exceptional items relate to costs incurred due to the onerous contracts that were entered into in December 2015 and as disclosed in the previous year's financial statements..

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.18	31.3.17
	£	£
Bank interest	28,931	47,597
Hire purchase	58,394	65,338
	87,325	112,935

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	31.3.18	31.3.17
	£	£
Current tax:		
UK corporation tax	3,073	-
Prior year overprovision	-	(133,430)
Total current tax	3,073	(133,430)
Deferred tax	13,683	(93,248)
Tax on profit/(loss)	16,756	(226,678)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

7. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.18 £	31.3.17 £
Profit/(loss) before tax	<u>941,239</u>	<u>(982,574)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	178,835	(196,515)
Effects of:		
Expenses not deductible for tax purposes	2,109	2,035
Capital allowances in excess of depreciation	-	(81,889)
Depreciation in excess of capital allowances	32,382	-
Qualifying share scheme deduction	-	(64,760)
Prior year overprovision	-	(92,966)
Prior year overprovision in respect of qualifying share scheme deduction	-	(40,464)
Carry forward of losses	-	247,881
Deferred taxation changes	13,683	-
Brought forward losses utilised	<u>(210,253)</u>	<u>-</u>
Total tax charge/(credit)	<u>16,756</u>	<u>(226,678)</u>

8. DIVIDENDS

	31.3.18 £	31.3.17 £
Ordinary C shares of £1 each		
Interim	<u>87,357</u>	<u>41,347</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2017	349,280	185,482	1,090,619
Additions	-	-	277,630
Reclassification/transfer	-	-	42,300
At 31 March 2018	<u>349,280</u>	<u>185,482</u>	<u>1,410,549</u>
DEPRECIATION			
At 1 April 2017	-	85,424	660,734
Charge for year	-	7,419	162,165
Eliminated on disposal	-	-	-
Reclassification/transfer	-	-	14,805
At 31 March 2018	<u>-</u>	<u>92,843</u>	<u>837,704</u>
NET BOOK VALUE			
At 31 March 2018	<u>349,280</u>	<u>92,639</u>	<u>572,845</u>
At 31 March 2017	<u>349,280</u>	<u>100,058</u>	<u>429,885</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2017	258,789	6,124,475	8,008,645
Additions	6,210	165,151	448,991
Disposals	-	(83,001)	(83,001)
Reclassification/transfer	-	(42,300)	-
At 31 March 2018	<u>264,999</u>	<u>6,164,325</u>	<u>8,374,635</u>
DEPRECIATION			
At 1 April 2017	238,154	3,173,248	4,157,560
Charge for year	9,706	544,807	724,097
Eliminated on disposal	-	(78,764)	(78,764)
Reclassification/transfer	-	(14,805)	-
At 31 March 2018	<u>247,860</u>	<u>3,624,486</u>	<u>4,802,893</u>
NET BOOK VALUE			
At 31 March 2018	<u>17,139</u>	<u>2,539,839</u>	<u>3,571,742</u>
At 31 March 2017	<u>20,635</u>	<u>2,951,227</u>	<u>3,851,085</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018****9. TANGIBLE FIXED ASSETS - continued**

During the year, the company entered into a sale and leaseback arrangement in respect of certain assets of the company, and the funds advanced amounted to £650,000. The loan, which is repayable within 4 years, is included within obligations under hire purchase agreements and the note below.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST			
At 1 April 2017	340,456	2,591,645	2,932,101
Additions	128,900	136,095	264,995
Reclassification/transfer	-	1,784,015	1,784,015
At 31 March 2018	<u>469,356</u>	<u>4,511,755</u>	<u>4,981,111</u>
DEPRECIATION			
At 1 April 2017	128,132	619,254	747,386
Charge for year	94,654	422,463	517,117
Reclassification/transfer	-	1,289,814	1,289,814
At 31 March 2018	<u>222,786</u>	<u>2,331,531</u>	<u>2,554,317</u>
NET BOOK VALUE			
At 31 March 2018	<u>246,570</u>	<u>2,180,224</u>	<u>2,426,794</u>
At 31 March 2017	<u>212,324</u>	<u>1,972,391</u>	<u>2,184,715</u>

10. STOCKS

	31.3.18	31.3.17
	£	£
Stocks	118,270	119,476
Work-in-progress	<u>175,251</u>	<u>170,966</u>
	<u>293,521</u>	<u>290,442</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade debtors	2,429,375	1,553,523
Other debtors	-	65,470
Directors' current accounts	-	1,080
Tax	25,647	-
Prepayments and accrued income	<u>66,091</u>	<u>47,275</u>
	<u>2,521,113</u>	<u>1,667,348</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Hire purchase contracts (see note 14)	705,349	658,722
Trade creditors	892,223	800,454
Tax	3,073	-
Social security and other taxes	83,436	80,515
VAT	237,606	179,595
Other creditors	11,824	28,639
Invoice discounting	856,214	621,346
Directors' current accounts	53,920	-
Accrued expenses	311,355	841,770
	<u>3,155,000</u>	<u>3,211,041</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.18	31.3.17
	£	£
Hire purchase contracts (see note 14)	1,404,570	1,149,772
Accruals and deferred income	-	150,000
	<u>1,404,570</u>	<u>1,299,772</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.3.18	31.3.17
	£	£
Net obligations repayable:		
Within one year	705,349	658,722
Between one and five years	1,404,570	1,149,772
	<u>2,109,919</u>	<u>1,808,494</u>

	Non-cancellable operating leases	
	31.3.18	31.3.17
	£	£
Within one year	263,100	144,729
Between one and five years	654,611	77,883
	<u>917,711</u>	<u>222,612</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.18	31.3.17
	£	£
Hire purchase contracts	2,109,919	1,808,494
Invoice factoring account	856,214	621,346
	<u>2,966,133</u>	<u>2,429,840</u>

The bank's indebtedness is secured by a debenture over the assets and undertakings of Harpers Environmental Limited and a charge over the land and buildings.

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

16. PROVISIONS FOR LIABILITIES

	31.3.18	31.3.17
	£	£
Deferred tax	<u>265,465</u>	<u>251,782</u>
		Deferred tax
		£
Balance at 1 April 2017		251,782
Movement in the period		13,683
Balance at 31 March 2018		<u>265,465</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	31/3/2018	31/3/2017
36,905	Ordinary A	£1	36,905	36,905
15,274 (2016: 10,732)	Ordinary B	£1	15,274	15,274
23,485	Ordinary C	£1	23,485	23,485
55	Ordinary D	£1	55	55
			<u>75,719</u>	<u>75,719</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

18. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2017	922,500	49,918	972,418
Profit for the year	924,483		924,483
Dividends	(87,357)		(87,357)
At 31 March 2018	<u>1,759,626</u>	<u>49,918</u>	<u>1,809,544</u>

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2018 and 31 March 2017:

	31.3.18 £	31.3.17 £
N H Harper		
Balance outstanding at start of year	1,080	91,596
Amounts advanced	2,400	-
Amounts repaid	(57,400)	(90,516)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(53,920)</u>	<u>1,080</u>

20. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	31.3.18 £	31.3.17 £
Rents paid	16,959	27,000
Dividends paid	<u>87,357</u>	<u>47,347</u>

Mr N H Harper has given Shawbrook Bank Limited a personal guarantee and indemnity of £50,000 towards the indebtedness of the company.

21. ULTIMATE CONTROLLING PARTY

The company was under the control of N H Harper and J K Harper, two of the directors, throughout the current and previous year.

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.