

Company Registration No. 03032719 (England and Wales)

**N-VIRO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2021**

# N-VIRO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J French Mr M Goodey Mr B Warren Ms H Miller	(Appointed 1 May 2021)
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<b>Secretary</b>	Mr M Goodey
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<b>Company number</b>	03032719
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<b>Registered office</b>	9 Acorn Business Park Northarbour Road Portsmouth Hampshire United Kingdom PO6 3TH
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<b>Auditor</b>	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY
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# **N-VIRO LIMITED**

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# **N-VIRO LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 APRIL 2021**

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The directors present their strategic report for the period ended 30 April 2021.

### **Business Overview**

Nviro provide Clean, Hygienic and Safe environments in which our customers and people can thrive.

The business has continued to operate successfully within its existing geographical territory of the South East of England (Hampshire, Dorset, Surrey, Sussex, Isle of Wight and London) providing Routine Cleaning, Washroom Services, Deep Cleaning and Specialist Cleaning services across Education (both State and Independent), Local Authority and Social Housing market places.

During the past year the cleaning sector has been at the forefront of the fight against Coronavirus (COVID-19), which led to an increase in demand for the expertise, skills, and service of our frontline cleaning heroes. The commitment, dedication and passion shown by our staff this year has been phenomenal, with these heroes providing a vital service to keep key buildings open during the pandemic.

The pandemic created unprecedented demand and challenges for the business, through ever changing requirements for levels and types of services as building usage changed, pressures on our supply chain due to availability of products, pressures on staffing resource through illness and self-isolation, and back office pressures of moving from an office environment to staff working from home. The business demonstrated its agility and flexibility in adapting to the ever changing environment and made significant strides forward in the use of remote working technology and communication platforms.

### **Performance**

The performance of the business during the year is testament to the great people who work for Nviro, the great suppliers we work with, and our clients - who see Nviro as a valued and trusted partner who can provide professional expertise and service to create and maintain a Clean, Hygienic and Safe environment.

Business turnover for the year increased by 6.4% on 2020, because of additional enhanced services in the form of hygiene services with electrostatic spraying/surface coating and increased touchpoint cleaning and Janitorial presence. These enhanced services contributed to an increase in Gross Profit Margin of 2.22% on that of 2020.

Net assets continued to strengthen at £3.3m.

### **Business Model**

The Nviro business model is simply – we look after our people, so that they look after our customers.

The Nviro People Strategy has evolved, with frontline staff now being viewed as real cleaning heroes. The business has continued to work collaboratively with its clients in promoting higher rates of pay with the focus being on ensuring all staff are paid at least the Real Living Wage, and with our service teams on ensuring these staff are given the most appropriate tools and support to carry out their roles effectively and safely.

Our people are fundamental in driving the success of our business. Therefore, we need to look after our employees and treat them well, give our people real autonomy, listen to them, develop them, and celebrate their achievements. April 2021 saw the creation of our 'Heroes Day' where, in recognition of the dedicated service during the pandemic, all staff have been awarded with an additional days annual leave. We continue to invest in our people through ongoing training in line with BICs nationally recognised qualifications and have maintained our status as a BICs training hub. The business has made significant investment in its Talent, Learning and Development team to continue this push and keep Nviro's people at the forefront of business growth.

We are paying significant attention on seamless customer journeys from initial awareness through to initial contract and from there into regular use of enhanced services. To achieve this, we are investing in strategic marketing skills, and in a company-wide transformation programme involving every member of staff. This is to ensure that every single customer touchpoint, from seeing our name for the first time, the tools and materials we use, the service documentation customers receive, to the every invoice we send, and every uniform we wear, as well as the people they interact with, presents a consistent, professional and warm experience that our customers recognise, value, and connect with.

## **N-VIRO LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2021***

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#### **Markets and Risk**

The market for our services is evolving with a greater awareness of and demand for hygiene related services in addition to the more traditional sensory cleaning activities, creating a great opportunity for cleaning services businesses.

The marketplace remains competitive with a level of uncertainty. The major challenges for Nviro, and other cleaning companies, continues to be the reduction in the size of the labour pool, and the growing pressures on public sector client's budgets as the country looks to recover from the Coronavirus pandemic.

The Executive Team continue to drive the business forward through the continued development of customer partnerships and innovative automation practices.

The business continues to invest in management and support functions to enable our company structures and processes to support the growth we have seen to date and position us well for the further development to come.

A particular focus on talent spotting and the development of Nviro's people, will continue to ensure the business has both the leadership and frontline skills in order to grow the business further. With the greater use of technology, there is emphasis on our customer relationship systems, and enhancing our customer value adding management reporting tools, to support the provision of a wider range of higher margin services.

On behalf of the board

Mr B Warren

**Director**

1 November 2021

# **N-VIRO LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2021**

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The directors present their annual report and financial statements for the year ended 30 April 2021.

#### **Principal activities**

The principal activity of the company continued to be that of cleaning services.

#### **Results and dividends**

The results for the year after taxation amounted to: £1,052,779 (2020: £492,054)

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J French  
Mr M Goodey  
Mr B Warren  
Ms H Miller

(Appointed 1 May 2021)

#### **Financial instruments**

##### **Interest rate risk**

The company's financial instruments relate primarily to hire purchase agreements, which have been entered into under fixed interest rates.

##### **Foreign currency risk**

As at 30th April 2021 the company had no material currency exposures relating to trading activities. The company's financial instruments are materially denominated in sterling.

##### **Fair values of financial assets and liabilities**

An assessment of the fair value of the company's financial instruments held for financing purposes has been undertaken as at 30th April 2021. No material differences exist between book and fair value.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

# **N-VIRO LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2021**

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### **Auditor**

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 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.

### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of employee information, principal risks and uncertainties and key performance indicators.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr B Warren

**Director**

1 November 2021

# N-VIRO LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF N-VIRO LIMITED

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### Opinion

We have audited the financial statements of N-Viro Limited (the 'company') for the year ended 30 April 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 April 2021 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 *Auditor's 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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



## **N-VIRO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF N-VIRO LIMITED**

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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 in the course of the audit, we have not identified material misstatements in the strategic report and 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 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 directors' responsibilities statement, 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 is 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.

#### **Auditor's 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 an auditor's report 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **N-VIRO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF N-VIRO LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **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 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.

**Michael Wesley FCA (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

24 November 2021

**Chartered Accountants**  
**Statutory Auditor**

Carnac Place  
Cams Hall Estate  
Fareham  
Hampshire  
United Kingdom  
PO16 8UY

## N-VIRO LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 APRIL 2021*

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	25,813,327	24,259,199
Cost of sales		(20,067,708)	(19,383,814)
<b>Gross profit</b>		5,745,619	4,875,385
Administrative expenses		(5,182,485)	(4,651,074)
Other operating income		940,429	178,877
<b>Profit before taxation</b>		1,503,563	403,188
Tax on profit	<b>8</b>	(450,784)	88,866
<b>Profit for the financial year</b>		1,052,779	492,054

The income statement has been prepared on the basis that all operations are continuing operations.

# N-VIRO LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9	774,232		1,059,706	
Investments	10	10		-	
		<u>774,242</u>		<u>1,059,706</u>	
<b>Current assets</b>					
Stocks	12	20,341		20,341	
Debtors	13	4,831,680		3,839,681	
Cash at bank and in hand		2,393,041		1,171,988	
		<u>7,245,062</u>		<u>5,032,010</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,685,749)</u>		<u>(3,805,703)</u>	
<b>Net current assets</b>			2,559,313		1,226,307
<b>Total assets less current liabilities</b>			3,333,555		2,286,013
<b>Creditors: amounts falling due after more than one year</b>	15		(5,029)		(15,547)
<b>Provisions for liabilities</b>					
Deferred tax liability	17	5,281		-	
		<u>(5,281)</u>		<u>-</u>	
<b>Net assets</b>			<u>3,323,245</u>		<u>2,270,466</u>
<b>Capital and reserves</b>					
Called up share capital	19	833,474		833,474	
Profit and loss reserves		2,489,771		1,436,992	
<b>Total equity</b>		<u>3,323,245</u>		<u>2,270,466</u>	

The financial statements were approved by the board of directors and authorised for issue on 1 November 2021 and are signed on its behalf by:

Mr M Goodey  
Director

Mr B Warren  
Director

Company Registration No. 03032719

## N-VIRO LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2019	833,474	944,938	1,778,412
Year ended 30 April 2020:			
Profit and total comprehensive income for the year	-	492,054	492,054
Balance at 30 April 2020	833,474	1,436,992	2,270,466
Year ended 30 April 2021:			
Profit and total comprehensive income for the year	-	1,052,779	1,052,779
Balance at 30 April 2021	833,474	2,489,771	3,323,245

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2021**

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### 1 Accounting policies

#### Company information

N-Viro Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9 Acorn Business Park, Northarbour Road, Portsmouth, Hampshire, United Kingdom, PO6 3TH.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Quarr Group Limited. These consolidated financial statements are available from its registered office, Mountbatten Business Park, Jackson Close, Portsmouth, Hampshire, England, PO6 1US.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover from the provision of cleaning services is recognised at the fair value of consideration received or receivable (net of VAT) when the service is carried out.

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

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

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

Leasehold land and buildings	20% straight line / over the lease term
Plant and equipment	33% straight line
Computers	20% - 50% straight line
Motor vehicles	20% straight line

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

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

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

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

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

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

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

#### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## N-VIRO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Depreciation

Depreciation is estimated based on the expected useful economic lives of assets less residual value if any.

##### Accruals

Accruals are estimates of future costs based on invoices received post year end.

##### Accrued income

Accrued income is calculated using agreed income per signed contracts with customers.

#### 3 Turnover and other revenue

All turnover arose within the United Kingdom and relates to the principal activity of the company.

#### 4 Operating profit

	2021	2020
Operating profit for the year is stated after charging/(crediting):	£	£
Research and development costs	5,231	2,084
Government grants	(940,429)	(178,877)
Fees payable to the company's auditor for the audit of the company's financial statements	7,195	7,000
Depreciation of owned tangible fixed assets	551,256	584,295
Loss/(profit) on disposal of tangible fixed assets	4,445	(31,944)
Operating lease charges	100,102	108,382
	<u>          </u>	<u>          </u>

#### 5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
<b>For audit services</b>		
Audit of the financial statements of the company	<u>7,195</u>	<u>7,000</u>

## N-VIRO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Cleaning	1,607	1,639
Administrative	92	91
Total	1,699	1,730

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	20,078,608	19,226,443
Social security costs	1,183,345	1,051,983
Pension costs	506,448	438,306
	21,768,401	20,716,732

#### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	401,671	378,749
Company pension contributions to defined contribution schemes	16,419	16,740
	418,090	395,489

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	145,842	121,936
Company pension contributions to defined contribution schemes	6,660	6,012

## N-VIRO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

#### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	263,447	24,810
Adjustments in respect of prior periods	165,590	(92,531)
Total current tax	429,037	(67,721)
<b>Deferred tax</b>		
Origination and reversal of timing differences	21,747	(37,168)
Adjustment in respect of prior periods	-	16,023
Total deferred tax	21,747	(21,145)
Total tax charge/(credit)	450,784	(88,866)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,503,563	403,188
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	285,677	76,606
Tax effect of expenses that are not deductible in determining taxable profit	1,205	358
Adjustments in respect of prior years	165,590	(92,531)
Group relief	-	(95,386)
Permanent capital allowances in excess of depreciation	-	5,514
Deferred tax adjustments in respect of prior years	(1,688)	16,023
Deferred tax rate change	-	550
Taxation charge/(credit) for the year	450,784	(88,866)

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 9 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 May 2020	161,946	1,470,695	568,985	619,113	2,820,739
Additions	15,337	267,910	74,285	-	357,532
Disposals	-	(187,602)	(9,214)	(260,647)	(457,463)
At 30 April 2021	177,283	1,551,003	634,056	358,466	2,720,808
<b>Depreciation and impairment</b>					
At 1 May 2020	116,530	921,942	394,318	328,243	1,761,033
Depreciation charged in the year	27,678	354,960	80,956	87,662	551,256
Eliminated in respect of disposals	-	(149,260)	(8,736)	(207,717)	(365,713)
At 30 April 2021	144,208	1,127,642	466,538	208,188	1,946,576
<b>Carrying amount</b>					
At 30 April 2021	33,075	423,361	167,518	150,278	774,232
At 30 April 2020	45,416	548,753	174,667	290,870	1,059,706

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

	2021 £	2020 £
Motor vehicles	27,796	79,701

### 10 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	11	10	-

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 10 Fixed asset investments (Continued)

#### Movements in fixed asset investments

#### Shares in group undertakings

	£
<b>Cost or valuation</b>	
At 1 May 2020	-
Additions	10
	<hr/>
At 30 April 2021	10
	<hr/>
<b>Carrying amount</b>	
At 30 April 2021	10
	<hr/>
At 30 April 2020	-
	<hr/>

### 11 Subsidiaries

Details of the company's subsidiaries at 30 April 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
N-Viro Consulting Limited	9 Acorn Business Park, Northharbour road, Portsmouth, England	Ordinary	100.00

### 12 Stocks

	2021 £	2020 £
Raw materials and consumables	20,341	20,341
	<hr/>	<hr/>

### 13 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,267,704	1,883,432
Amounts owed by group undertakings	853	36,031
Other debtors	21,071	181,147
Prepayments and accrued income	1,339,018	978,879
	<hr/>	<hr/>
	3,628,646	3,079,489
Deferred tax asset (note 17)	-	16,466
	<hr/>	<hr/>
	3,628,646	3,095,955
	<hr/>	<hr/>

# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 13 Debtors (Continued)

	2021 £	2020 £
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	1,203,034	743,726
<b>Total debtors</b>	<b>4,831,680</b>	<b>3,839,681</b>

### 14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	16	10,518	20,750
Trade creditors		372,229	325,196
Amounts owed to group undertakings		10	-
Corporation tax		263,447	24,810
Other taxation and social security		2,509,609	2,056,363
Other creditors		-	(63)
Accruals and deferred income		1,529,936	1,378,647
		<b>4,685,749</b>	<b>3,805,703</b>

The hire purchase agreements are secured on the assets to which they relate.

### 15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	16	5,029	15,547

The hire purchase agreements are secured on the assets to which they relate.

### 16 Finance lease obligations

	2021 £	2020 £
<b>Future minimum lease payments due under finance leases:</b>		
Within one year	10,518	20,750
In two to five years	5,029	15,547
	<b>15,547</b>	<b>36,297</b>



# N-VIRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Balances:</b>				
Accelerated capital allowances	18,752	-	-	(13,456)
Retirement benefit obligations	(12,862)	-	-	29,922
Other timing differences	(609)	-	-	-
	<u>5,281</u>	<u>-</u>	<u>-</u>	<u>16,466</u>
<b>Movements in the year:</b>				<b>2021 £</b>
Asset at 1 May 2020				(16,466)
Charge to profit or loss				21,747
Liability at 30 April 2021				<u>5,281</u>

The deferred tax assets set out above are expected to reverse within 12 months of the year end.

### 18 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>506,448</u>	<u>438,306</u>

The company operates a defined contribution pension scheme for all qualifying employees. At the year end £171,364 (2020 - £225,635) was deducted but not paid to the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	<u>833,474</u>	<u>833,474</u>	<u>833,474</u>	<u>833,474</u>

## N-VIRO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

#### 20 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	57,302	80,141
Between two and five years	13,998	58,625
	<u>71,300</u>	<u>138,766</u>

#### 21 Related party transactions

The company has taken advantage of the FRS 102 exemption to not disclose related party transactions with wholly owned group entities.

#### 22 Directors' transactions

During the year, the company bought a motor vehicle from a director for £Nil (2020: £14,250). At year end no amounts were outstanding. (2020: £Nil).

#### 23 Ultimate controlling party

The company's immediate parent undertaking is The Quarr Group Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking and the company in which the smallest and largest group results are consolidated is The Quarr Group Holdings Limited, a company incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Mountbatten Business Park, Jackson Close, Portsmouth, Hampshire, England, PO6 1US.

In the view of the directors the company is under the ultimate control of S. Ingram, B. Warren and N. Williams, by virtue of their majority shareholdings in the ultimate parent company.

#### 24 Financial commitments, guarantees and contingent liabilities

HSBC UK holds an intercompany cross guarantee between the ultimate parent company and its subsidiaries. This security is unlimited against the assets of all companies within the group.

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.