

Registered number
03882193

The Environmental Laboratory Limited

Unaudited Filleted Accounts

31 December 2019

The Environmental Laboratory Limited**Registered number:** 03882193**Balance Sheet****as at 31 December 2019**

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	4	349,303	208,606
Current assets			
Stocks		116,110	111,484
Debtors	5	679,166	746,779
Cash at bank and in hand		20,078	74,124
		<u>815,354</u>	<u>932,387</u>
Creditors: amounts falling due within one year	6	(472,945)	(412,205)
Net current assets		<u>342,409</u>	<u>520,182</u>
Total assets less current liabilities		<u>691,712</u>	<u>728,788</u>
Creditors: amounts falling due after more than one year	7	(137,117)	(40,482)
Provisions for liabilities		(12,912)	(22,728)
Net assets		<u>541,683</u>	<u>665,578</u>
Capital and reserves			
Called up share capital		3,600	3,600
Share premium		356,301	356,301
Profit and loss account		181,782	305,677
Shareholder's funds		<u>541,683</u>	<u>665,578</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The member has not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Dr Sampuran Singh

Director

Approved by the board on 16 December 2020

The Environmental Laboratory Limited
Notes to the Accounts
for the year ended 31 December 2019

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Going concern

Since March 2020 the UK has experienced a pandemic of the coronavirus and the potential effects to the company and its future prospects cannot be completely quantified. The position is kept under regular review by the directors who remain committed to the business and have accepted ongoing support offered by the UK Government. Accordingly the accounts have been prepared on a going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the preparation of chemical analysis reports for customers and is recognised as the services are provided.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	20% reducing balance
Fixtures, fittings and equipment	5 years straight line
Motor vehicles	4 years straight line

Stocks

Stock is comprised of consumables used in the process of analytical chemistry and is valued at the lower of cost and net realisable value. Work-in-progress is valued by reference to the cost of sales percentage applied during the period of analytical chemistry.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Employees	2019	2018
	Number	Number
Average number of persons employed by the company	29	31

3 Taxation

At 31 December 2019, the company had gross tax losses of £209,151 (2018: £Nil) to be carried forward and offset against future taxable profits. Gross tax losses amounting to £88,822 were surrendered to the parent company, Sigma-HSE Limited.

4 Tangible fixed assets

Plant & machinery	Fixtures, fittings & equipment	Motor vehicles	Total
£	£	£	£

Cost

At 1 January 2019	852,612	477,723	81,883	1,412,218
Additions	-	238,089	-	238,089
Disposals	-	(24,752)	-	(24,752)
At 31 December 2019	<u>852,612</u>	<u>691,060</u>	<u>81,883</u>	<u>1,625,555</u>

Depreciation

At 1 January 2019	775,091	375,976	52,545	1,203,612
Charge for the year	15,697	65,858	15,746	97,301
On disposals	-	(24,661)	-	(24,661)
At 31 December 2019	<u>790,788</u>	<u>417,173</u>	<u>68,291</u>	<u>1,276,252</u>

Net book value

At 31 December 2019	<u>61,824</u>	<u>273,887</u>	<u>13,592</u>	<u>349,303</u>
At 31 December 2018	<u>77,521</u>	<u>101,747</u>	<u>29,338</u>	<u>208,606</u>

5 Debtors

2019
£

2018
£

Trade debtors	322,319	333,525
Amounts owed by group undertakings	328,351	-
Other debtors	28,496	413,254
	<u>679,166</u>	<u>746,779</u>

6 Creditors: amounts falling due within one year

2019
£

2018
£

Obligations under finance lease and hire purchase contracts	84,836	30,209
Trade creditors	103,140	79,639
Amounts owed to group undertakings	83,197	189,975
Taxation and social security costs	19,266	70,820
Other creditors	182,506	41,562
	<u>472,945</u>	<u>412,205</u>

7 Creditors: amounts falling due after one year

2019
£

2018
£

Obligations under finance lease and hire purchase contracts	<u>137,117</u>	<u>40,482</u>
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8 Loans

2019
£

2018
£

Creditors include:

Secured loans	<u>402,336</u>	<u>109,700</u>
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Obligations under finance lease and hire purchase agreements totalling £221,953 (2018: £70,691) are secured on the assets to which they relate.

At 31 December 2019, the company had an advance against trade debtors of £180,383 (2018: £39,009) under a receivables finance agreement, and this is secured by a fixed and floating charge over the assets of the company.

9 Capital commitments	2019	2018
	£	£
Amounts contracted for but not provided in the accounts	<u>65,497</u>	<u>-</u>

10 Related party transactions

The directors of the company are also directors of Sigma-HSE (UK) Limited. Sigma-HSE (UK) Limited became a wholly owned subsidiary of Sigma-HSE Limited on 31 December 2019 and prior to that date Dr Sampuran Singh was the sole shareholder. Transactions between the companies are not necessarily undertaken on a normal market basis.

The company reduced its overall net finance to Sigma-HSE (UK) Limited in the year by £77,137 (2018: provided additional net financing of £97,382). Included within the transactions between the companies is income received from Sigma-HSE (UK) Limited of £11,411 (2018: £10,270) for the loan facility and £1,477 (2018: £1,477) for use of cars. The company incurred expenditure in respect of purchases of equipment for resale of £85,046 (2018: £Nil), £44,604 for management services (2018: £38,196), £12,000 for insurance recharges (2018: £12,000) and £1,577 in respect of IT services (2018: £3,837). At 31 December 2019, Sigma-HSE (UK) Limited owed the company £328,351 (2018: £405,488), which is repayable on demand and is interest free. No provision has been made against this debt as the directors are of the opinion that it is fully recoverable.

Included within trade debtors at 31 December 2019 is a debt of £70,872 (2018: £Nil) owed by Sigma-HSE (India) Pvt Ltd for the purchase of equipment from the company. Dr Sampuran Singh is a director and shareholder of Sigma-HSE (India) Pvt Ltd.

11 Controlling party

The company is a wholly owned subsidiary of Sigma-HSE Limited, a company incorporated in England. Sigma-HSE Limited does not prepare consolidated accounts. Its registered office is Unit 2, Moorside Point, Moorside Road, Winchester, Hampshire, SO23 7RX.

At 31 December 2019, the directors considered the company's ultimate parent company to be Dalewood Limited, a company incorporated in Guernsey whose registered address is Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB. Dalewood Limited does not prepare group accounts.

At 31 December 2019, Dalewood Limited was under the control of a Discretionary Trust which had a beneficial interest in 100% of the issued share capital of the company. In the opinion of the directors there is no ultimate controlling party as no party has the ability to direct the financial and operating policies of the Trust with a view to gaining economic benefits from their direction.

Since 31 December 2019, the share capital of the company's parent, Sigma-HSE Limited, which was owned by Dalewood Limited has been transferred to Dr S Singh who now holds

80% of the share capital of the company's parent. Therefore the company is now under the direct control of Dr S Singh by virtue of his shareholding in the company's parent, Sigma-HSE Limited.

12 Other information

The Environmental Laboratory Limited is a private company limited by shares and incorporated in England. Its registered office is:

Unit 2A, Windmill Road
Ponswood Industrial Estate
St Leonards-on-Sea
East Sussex
TN38 9BY

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