

HMS Environmental Limited (formerly HMS Group Limited)

Registered number: 06526449

Directors' report and financial statements

For the year ended 30 June 2016

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HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

COMPANY INFORMATION

Directors	C L Bond J S Unwin (resigned 16 September 2016)
Company secretary	C L Bond
Registered number	06526449
Registered office	Roall Hall Roall Lane Eggborough North Yorkshire DN14 0NA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Mazars House Gelderd Road Gildersome Leeds LS27 7JN

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

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HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,595,141 (2015 - £111,839).

No dividends were paid or declared in the year.

Directors

The directors who served during the year were:

C L Bond
J S Unwin (resigned 16 September 2016)

Disclosure of information to auditor

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

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

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Small companies exemption

The company has taken advantage of the small companies exemption in preparing the directors' report.

Auditor

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

This report was approved by the board on 22nd March 2017 and signed on its behalf.



C L Bond
Director

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

We have audited the financial statements of HMS Environmental Limited (formerly HMS Group Limited) for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

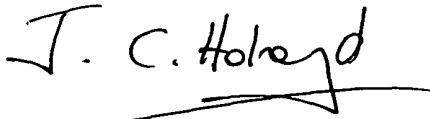
HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.



John Holroyd (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date: 22nd March 2017

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
Fair value movements		2,595,000	-
Operating profit		<u>2,595,000</u>	<u>-</u>
Amounts written off loans		-	140,724
Profit before tax		<u>2,595,000</u>	<u>140,724</u>
Tax on profit	4	141	(28,885)
Profit for the year		<u><u>2,595,141</u></u>	<u><u>111,839</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 13 form part of these financial statements.


HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)
REGISTERED NUMBER: 06526449

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 £	2015 £
Investments	5	-	1,400,000
		-	1,400,000
Current assets			
Debtors: amounts falling due within one year	6	3,989,184	8,466
Cash at bank and in hand	7	140	140
		3,989,324	8,606
Creditors: amounts falling due within one year	8	(3,790,435)	(3,804,858)
Net current assets/(liabilities)		198,889	(3,796,252)
Total assets less current liabilities		198,889	(2,396,252)
Net assets		198,889	(2,396,252)
Capital and reserves			
Called up share capital	9	100,000	100,000
Profit and loss account	10	98,889	(2,496,252)
		198,889	(2,396,252)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 22nd March 2017

C L Bond
 Director

The notes on pages 8 to 13 form part of these financial statements.

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	100,000	(2,496,252)	(2,396,252)
Profit for the year	-	2,595,141	2,595,141
At 30 June 2016	<u>100,000</u>	<u>98,889</u>	<u>198,889</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	100,000	(2,608,091)	(2,508,091)
Profit for the year	-	111,839	111,839
At 30 June 2015	<u>100,000</u>	<u>(2,496,252)</u>	<u>(2,396,252)</u>

The notes on pages 8 to 13 form part of these financial statements.

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. General information

HMS Environmental Limited ("the Company") is a private limited company (limited by share capital) incorporated in the United Kingdom. The address of its registered office and principal place of business is Roall Hall, Roall Lane, Eggborough, North Yorkshire, DH14 0NA.

The entity is a non trading entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 13.

The date of transition to FRS 102 is 01 July 2014.

The following principal accounting policies have been applied:

2.2 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.4 Cash and cash equivalents

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

2.5 Financial instruments

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

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

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.5 Financial instruments (continued)

discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

4. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	28,885
Adjustments in respect of previous periods	(141)	-
Taxation on (loss)/profit on ordinary activities	<u>(141)</u>	<u>28,885</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>2,595,000</u>	<u>140,724</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	519,000	28,145
Effects of:		
Utilisation of tax losses	-	(17)
Adjustments to tax charge in respect of prior periods	(141)	-
Non-taxable income	(519,000)	-
Other differences leading to an increase (decrease) in the tax charge	-	1,056
Marginal relief	-	(299)
Total tax charge for the year	<u>(141)</u>	<u>28,885</u>

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

5. Fixed asset investments

	Investments in subsidiary companies £
Revaluation	
At 1 July 2015	1,400,000
Disposals	(3,995,000)
Revaluations	2,595,000
 At 30 June 2016	 -
 At 30 June 2015	 1,400,000

The investment in subsidiary companies related to the investment in Hensall Mechanical Services Limited. The valuation during the year was undertaken by PD Tax Consultants Limited who have the appropriate qualifications and expertise necessary to perform such calculations.

During the year a group reconstruction has taken place. The ownership of Hensall Mechanical Services Limited has transferred from HMS Environmental Limited (formerly HMS Group Limited) to Hensall Group Limited (formerly HMS Corp Limited).

This restructure took place on 29 June 2016.

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	3,980,718	-
Other debtors	8,466	8,466
	<u>3,989,184</u>	<u>8,466</u>

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	140	140
	<u>140</u>	<u>140</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	3,790,435	3,775,973
Corporation tax	-	28,885
	<u>3,790,435</u>	<u>3,804,858</u>

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
71,000 Ordinary 'A' shares of £1 each	71,000	71,000
29,000 Ordinary 'C' shares of £1 each	29,000	29,000
	<u>100,000</u>	<u>100,000</u>

Both the Ordinary A shares and Ordinary C shares carry voting rights but no right to fixed income.

HMS ENVIRONMENTAL LIMITED (FORMERLY HMS GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

10. Reserves

Profit & loss account

The profit and loss reserves represent brought forward reserves plus/minus the profit/loss for the period less any dividends paid during the financial period.

11. Related party transactions

The Company is a wholly owned subsidiary of Hensall Group Limited (formerly HMS Corp Limited) and as such has taken advantage of the exemption permitted by Section 33 'Related Party Disclosures' not to provide disclosures of transactions entered into with the parent company or other wholly owned subsidiaries within the group. The consolidated financial statements can be obtained from the registered office of Hensall Group Limited (formerly HMS Corp Limited); Roall Hall, Roall Lane, Eggborough, North Yorkshire, DN14 0NY.

12. Controlling party

The ultimate parent company is Hensall Group Limited (formerly HMS Corp Limited) a company registered in England & Wales.

The ultimate controlling party is Mr C L Bond, a director and majority shareholder of Hensall Group Limited.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.