

**Idverde Limited (formerly Hare  
Newco Limited)**

Report and Financial Statements

Year Ended

31 March 2015

Company Number 06539986

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# **Idverde Limited (formerly Hare Newco Limited)**

## **Report and financial statements for the year ended 31 March 2015**

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### **Directors**

N Temple-Heald  
D J Graham  
S Hughes-Clarke  
H Lancon  
E F D'arcier

### **Secretary and registered office**

D J Graham, Landscapes House, 3 Rye Hill Office Park, Birmingham Road, Allesley, Coventry, CV5 9AB

### **Company number**

06539986

### **Auditors**

BDO LLP, Bridgewater House, Finzels Reach, Counterslip, Bristol, BS1 6BX

# **Idverde Limited (formerly Hare Newco Limited)**

## **Strategic report for the year ended 31 March 2015**

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The directors present their strategic report together with the audited financial statements for the year ended 31 March 2015.

Idverde Limited is a holding company for the UK trading group and following the sale of the entire share capital of Hare Newco Limited (renamed to Idverde Limited on 3 June 2015) to idverde SAS (Registered in France, registration number 339 609 661) on 17th March 2015, Idverde is now well positioned to further develop the UK business. Idverde is a leading provider of specialist clean and green services, delivering grounds management, arboriculture, cleansing, park management and consultancy, facilities management and landscape construction services.

Idverde derives the majority of its income from the tendering for, and delivery of, long-term maintenance contracts. It has an enviable record for the quality of its service delivery and consequently for retaining contracts when they come up for extension and renewal.

Idverde has a four point strategy for growth namely:

- Retaining and renewing existing contracts through the continued quality of service provision
- Organic growth via new contracts
- Acquisitive growth from selective strategic acquisitions
- Continued development of its people, processes and systems

Profit and cash flow improved during the year compared to 2014 once the effects of the exceptional costs related to the acquisition of the group are taken into account. This has been achieved against a background of client spending cuts within the public sector. This reaffirms management's ability to help its clients achieve their financial objectives at the same time as continuing to grow the profitability of Idverde.

Idverde delivered strong results for the year with adjusted EBITDA (being EBITDA before exceptional costs) of £5.2m, 10% of turnover (2014 - £5.0m, 11% of turnover).

During the year the group won a number of significant new long-term contracts most notably:

- Securing the delivery for the Parks Management service at the London borough of Bromley until 2019, all part of a variation and extension to the current Grounds Maintenance contract, running until 2019.
- The award of a contract to deliver services to Wiltshire Council on behalf of Balfour Beatty Living Places for an initial period of 3 years and 2 months, with an extension option for a further 2 years until May 2020
- The retention of the contract at Elmbridge Borough Council, plus the award of additional lots, commencing April 2015 and running for an initial term until March 2022, with an extension option until March 2024.
- The award of a term maintenance contract at Mole Valley District Council, commencing January 2015 and running for an initial period until December 2021, with an extension option until December 2028

Idverde continues to deliver high profile services to a number of clients including services covering the Queen Elizabeth Olympic Park and Regents Park.

Following the new business won in the year, the group has increased its forward order book on grounds maintenance to £322.3m (2014 - £278.1m), including available extension periods totalling £118m. The bid pipeline remains healthy, with a number of significant tenders in the pipeline for 2015.

Management continues to address the issues surrounding the reducing budgets of many of our public sector clients, working even closer with them to help achieve their budget reductions and service delivery objectives. This approach has ensured the group protects its margin at the same time as delivering client objectives. This approach together with The Group's enviable track record of securing contract extensions has meant that it continues to develop its first strategic objective to "keep and improve what we have got".

The landscape construction business continued its strong recovery and delivered a good profit in the year. This area of Idverde continues to deliver a quality product and there were further positive movements in the market during the year, indicating that investment in this sector has improved. It remains that the Landscape Construction business is able to adapt to market changes once the economic cycle turns.

## Idverde Limited (formerly Hare Newco Limited)

**Strategic report  
for the year ended 31 March 2015 (continued)**

Idverde's financial position is now stronger following the sale of the business to idverde SAS and this is reflected in industry recognised credit reports for both Idverde and its operating subsidiaries.

### Key performance indicators ("KPI's")

	2015	2014	Commentary
Turnover £m	50.7	47.0	Group turnover increased in the year as the Grounds Maintenance activities increased.
Adjusted EBITDA £m *	5.2	5.0	Adjusted EBITDA increased compared to the prior year with improved margins on Grounds Maintenance and Landscaping.
Adjusted EBITDA margin %	10.3	10.6	Adjusted EBITDA Margin % is the ratio of Adjusted EBITDA compared to turnover. The ratio for 2015 was broadly in line with 2014, reducing slightly due to the commencement of new start up contracts in the year reflected in the increase in turnover.
Cash Cover	-	1.80	
Grounds Maintenance Order Book £m	322.3	278.1	With the new contracts won during the year, the group has significantly increased the term order book, providing solid future revenue generation beyond 2025.

	2015 £'000	2014 £'000
* Adjusted EBITDA is defined as follows:		
Operating (loss)/profit	(387)	1,693
Add back		
- depreciation	1,670	1,602
- amortisation	1,369	1,397
- exceptional costs: restructuring costs and VAT on deal fees	2,468	-
- investors' fees/other charges	95	340
Adjusted EBITDA	5,215	5,032

## **Idverde Limited (formerly Hare Newco Limited)**

**Strategic report  
for the year ended 31 March 2015 (continued)**

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### **Financial risk management**

Idverde's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk, liquidity risk and interest rate risk. Idverde has in place a risk management programme that seeks to limit the adverse effects on the financial performance of Idverde, by monitoring levels of debt finance and the related finance costs. Given the size of the Idverde, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set out by the board of directors are implemented by Idverde's finance department.

#### **Price Risk**

Idverde is exposed to commodity price risk as a result of its operations. However, given the size of the group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

#### **Credit Risk**

Idverde has implemented policies that require appropriate credit checks on potential customers before sales are made. The group operates credit insurance for significant private sector transactions.

#### **Liquidity Risk**

Idverde, with the support of its parent and the Group's principal shareholder, actively maintains a mixture of long term and short term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

#### **Interest Rate Cash Flow Risk**

Idverde has both interest bearing assets and interest bearing liabilities. Interest bearing assets relate to cash balances which earn interest on rates linked to base rate and LIBOR. Interest bearing liabilities relate to bank overdrafts and finance leases which are charged interest on rates linked to base rate, LIBOR and are fixed respectively. In addition Idverde has issued preference shares and loan notes which attract a fixed coupon of 15%, repayable in 2023.

## **Idverde Limited (formerly Hare Newco Limited)**

**Strategic report  
for the year ended 31 March 2015 (continued)**

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### **Business risk**

idverde regularly assesses risks that impact on the business. This includes our processes and procedures in relation to quality and health and safety. idverde has maintained its full accreditation for ISO9001, ISO14001 and OHSAS18001. Through our quality management system idverde conducts regular risk assessments and audits with management committed to improving controls and processes. Idverde's board regularly reviews such risk assessments together with related health and safety matters. All of the key indicators showed an improving trend throughout the year. During the year idverde continued its training programme for managers to undertake NEBOSH and IOSH training courses. As at the year end 1 manager held the NEBOSH National Diploma qualification in Occupational Safety and Health and the iema Associate Certificate in Environmental Management. 15 directors and managers are qualified to NEBOSH certificate level. idverde also has a policy of ensuring that every operational manager is qualified to IOSH level and has a continuous training programme to maintain this with new employees and as new managers join at new contracts. As at 31 March 2015, there were 127 employees who had attained the IOSH Managing Safely qualification during the past 4 years. 10 managers hold the CITB Site Managers Safety Certificate, with 5 Supervisors holding the Site Supervisor's equivalent. In addition, 2 managers have completed their full manager's qualification for the New Roads and Street-works certificates.

### **On behalf of the board**



N Temple-Heald  
Chief Executive Officer

16 December 2015

# **Idverde Limited (formerly Hare Newco Limited)**

## **Report of the directors for the year ended 31 March 2015**

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The directors present their report together with the audited financial statements for the year ended 31 March 2015.

### **Results and dividends**

The profit and loss account is set out on page 9 and shows the loss for the year.

Further details on the development, performance and position of the group can be found in the Strategic Report, along with details on the principal risks and uncertainties faced by the group.

During the year dividends of £Nil (2014: £1,773,721) were accrued, but not paid, in respect of amounts due to the preference shareholders.

The directors have not recommended a dividend on the ordinary shares.

### **Employment of disabled persons**

Full and fair consideration is given to all applications for employment.

### **Employee involvement**

During the year, idverde continued to develop its 'grow our own' strategy of attracting and developing talent at all levels within the business. This positive investment by idverde has helped to address the industry wide skills shortage.

The Accelerated Leadership Programme (ALP) and Management Development Programme (MDP) enable the group to continually develop the management of people within the business. These programmes educate and guide managers in leadership styles, their own work preferences, the impact of their management on others and the link between good quality leadership, employee engagement and performance. This has resulted in progression to senior management roles for a number of developing managers during the year.

Training and up skilling amongst Operatives continues to be delivered through the continuation of offering Work Based Diplomas in 12 industry specific frameworks. Our commitment to ensuring that our attraction strategy to offer training and development under apprenticeship schemes continues to develop, supported by the recent award in the category of highly commended for large employer of the year in the National apprenticeship awards 2015.

### **Directors**

The directors of the company during the year were:

N Temple-Heald  
D J Graham  
S Hughes-Clarke (appointed 17 March 2015)  
D Spruzen (resigned 17 March 2015)  
R A Ramsey (resigned 17 March 2015)  
K J Terry (resigned 17 March 2015)  
H Lancon (appointed 17 March 2015)  
E F D'arcier (appointed 17 March 2015)

## **Idverde Limited (formerly Hare Newco Limited)**

### **Report of the directors for the year ended 31 March 2015 (continued)**

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#### **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 group and company 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 group and company and of the profit or loss of the group 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;
- 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.

#### **Auditors**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. The directors have confirmed that they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been re-appointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

#### **On behalf of the board**



N Temple-Heald  
Chief Executive Officer

16 December 2015



# **Idverde Limited (formerly Hare Newco Limited)**

## **Independent auditor's report**

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### **To the members of Idverde Limited (formerly Hare Newco Limited)**

We have audited the financial statements of Idverde Limited (formerly Hare Newco Limited) for the year ended 31 March 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters 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.

## **Idverde Limited (formerly Hare Newco Limited)**

### **Independent auditor's report (*continued*)**

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



*Simon Brooker (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*Bristol*  
*United Kingdom 16 December 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Idverde Limited (formerly Hare Newco Limited)

## Consolidated profit and loss account for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
<b>Turnover</b>	3	50,703	46,997
<b>Cost of sales</b>		(42,923)	(39,826)
<b>Gross profit</b>		<u>7,780</u>	<u>7,171</u>
Administrative expenses - general		(4,330)	(4,081)
Amortisation of goodwill	4	(1,369)	(1,397)
<b>Group operating (loss)/profit before exceptional item</b>		<u>2,081</u>	<u>1,693</u>
Exceptional item	2	(2,468)	-
<b>Group operating (loss)/profit</b>	4	<u>(387)</u>	<u>1,693</u>
Interest payable and similar charges	7	(3,586)	(3,742)
Other finance income/(charges)	8	5	(6)
<b>Loss on ordinary activities before taxation</b>		<u>(3,968)</u>	<u>(2,055)</u>
Taxation on loss on ordinary activities	9	239	(676)
<b>Loss on ordinary activities after taxation</b>		<u><u>(3,729)</u></u>	<u><u>(2,731)</u></u>

All amounts relate to continuing activities.

The notes on pages 15 to 35 form part of these financial statements.

## **Idverde Limited (formerly Hare Newco Limited)**

### **Consolidated statement of total recognised gains and losses for the year ended 31 March 2015**

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Consolidated statement of total recognised gains and losses</b>			
Loss for the financial year		<b>(3,729)</b>	(2,731)
Actuarial (losses) on pension scheme	18	<b>(208)</b>	(3)
		<hr/>	<hr/>
<b>Total recognised gains and losses for the financial year</b>		<b>(3,937)</b>	<b>(2,734)</b>
		<hr/>	<hr/>

The notes on pages 15 to 35 form part of these financial statements.

# Idverde Limited (formerly Hare Newco Limited)

## Consolidated balance sheet at 31 March 2015

<b>Company number 06539986</b>	<b>Note</b>	<b>2015 £'000</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2014 £'000</b>
<b>Fixed assets</b>					
Intangible assets	11		<b>6,774</b>		8,151
Tangible assets	12		<b>5,194</b>		4,470
			<hr/>		<hr/>
			<b>11,968</b>		12,621
<b>Current assets</b>					
Stocks	14	<b>110</b>		96	
Debtors	15	<b>9,953</b>		8,092	
Cash at bank and in hand		<b>4,167</b>		3,974	
		<hr/>		<hr/>	
		<b>14,230</b>		12,162	
<b>Creditors: amounts falling due within one year</b>	16	<b>11,353</b>		13,810	
		<hr/>		<hr/>	
<b>Net current assets/(liabilities)</b>			<b>2,877</b>		(1,648)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>14,845</b>		10,973
<b>Creditors: amounts falling due after more than one year</b>	17		<b>11,032</b>		26,827
			<hr/>		<hr/>
<b>Net assets/(liabilities) excluding pension scheme liabilities</b>			<b>3,813</b>		(15,854)
<b>Pension scheme liabilities</b>	18		<b>(341)</b>		(178)
			<hr/>		<hr/>
<b>Net assets/(liabilities) including pension scheme liabilities</b>			<b>3,472</b>		(16,032)
			<hr/>		<hr/>

The notes on pages 15 to 35 form part of these financial statements.

# Idverde Limited (formerly Hare Newco Limited)

## Consolidated balance sheet at 31 March 2015 (continued)

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Capital and reserves</b>					
Called up share capital	19		7,958		4
Share premium account	20		15,837		350
Profit and loss account	20		(20,323)		(16,386)
<b>Shareholders' funds/(deficit)</b>	21		<b>3,472</b>		<b>(16,032)</b>

The financial statements were approved by the board of directors and authorised for issue on 16 December 2015



D J Graham  
Director

The notes on pages 15 to 35 form part of these financial statements.

# Idverde Limited (formerly Hare Newco Limited)

## Company balance sheet at 31 March 2015

<b>Company number 06539986</b>	<b>Note</b>	<b>2015 £'000</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2014 £'000</b>
<b>Fixed assets</b>					
Fixed asset investments	13		7,976		86
<b>Current assets</b>					
Debtors	15	4,425		6,475	
Cash at bank and in hand		9		17	
		<u>4,434</u>		<u>6,492</u>	
<b>Creditors: amounts falling due within one year</b>	16	-		404	
		<u>-</u>		<u>404</u>	
<b>Net current assets</b>			<u>4,434</u>		<u>6,088</u>
<b>Total assets less current liabilities</b>			<u>12,410</u>		<u>6,174</u>
<b>Creditors: amounts falling due after more than one year</b>	17		-		13,509
			<u>-</u>		<u>13,509</u>
<b>Net assets/(liabilities) including pension scheme assets</b>			<u>12,410</u>		<u>(7,335)</u>
<b>Capital and reserves</b>					
Called up share capital	19		7,958		4
Share premium account	20		15,837		350
Profit and loss account	20		(11,385)		(7,689)
			<u>12,410</u>		<u>(7,335)</u>
<b>Shareholders' funds/(deficit)</b>	21		<u>12,410</u>		<u>(7,335)</u>

The financial statements were approved by the board of directors and authorised for issue on 16 December 2015



D J Graham  
Director

The notes on pages 15 to 35 form part of these financial statements.

# Idverde Limited (formerly Hare Newco Limited)

## Consolidated cashflow statement for the year ended 31 March 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Net cash inflow from operating activities</b>	24		778		5,459
<b>Returns on investments and servicing of finance</b>					
Interest paid: bank loans		(381)		(134)	
Interest paid: hire purchase		(160)		(220)	
		<u>          </u>		<u>          </u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(541)		(354)
<b>Taxation</b>					
Corporation tax paid			(304)		(540)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(1,476)		(1,100)	
Receipts from sale of tangible fixed assets		143		55	
		<u>          </u>		<u>          </u>	
<b>Net cash outflow from capital expenditure and financial investment</b>			(1,333)		(1,045)
<b>Cash (outflow)/inflow before use of financing</b>			(1,400)		3,520
<b>Financing</b>					
Share capital issued		7,890		-	
Loans repaid		(5,225)		(1,200)	
Capital element of finance leases repaid		(1,072)		(1,085)	
		<u>          </u>		<u>          </u>	
<b>Net cash inflow/(outflow) from financing</b>			1,593		(2,285)
<b>Increase in cash</b>	25		193		1,235

The notes on pages 15 to 35 form part of these financial statements.



# **Idverde Limited (formerly Hare Newco Limited)**

## **Notes forming part of the financial statements for the year ended 31 March 2015**

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### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Going concern*

The group's operations are funded by a combination of cash generated from operations, access to group wide senior banking facilities and long term loan notes.

During the year the group continued to win a number of long term grounds maintenance contracts with the order book increasing. It is predicted that the order book will continue to increase as the investment in business development continues to be successful.

The group has prepared forecasts and projections for the next 12 months, taking account of reasonably possible changes in trading performance, which show that the group should be able to operate within the level of the group facility and meet its cash requirements.

After making appropriate enquires, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The nature of the activities and funding throughout the group allows each group company to support, as necessary, other group companies, to ensure that they can operate effectively as a going concern. For these reasons the group continues to adopt the going concern basis in preparing the financial statements.

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Idverde Limited (formerly Hare Newco Limited) and all of its subsidiary undertakings as at 31 March 2015 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Goodwill*

Goodwill arising on an acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 10 years. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition or if there are any indications of impairment.

#### *Turnover*

Turnover for service contracts represent the fair value of work performed in connection with grounds maintenance services, exclusive of value added tax.

Turnover for long term contract projects, relating to landscape construction projects, is accounted for under the principles of long term contract accounting and is recognised on the basis of an assessment of fair value of works performed and is exclusive of value added tax. Differences between this and amounts invoiced are held as amounts recoverable on contract or payments on account. Full provision for loss making contracts is made for any foreseeable losses.

# **Idverde Limited (formerly Hare Newco Limited)**

## **Notes forming part of the financial statements for the year ended 31 March 2015 (continued)**

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### **1 Accounting policies (continued)**

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over the useful economic life of that asset. It is calculated at the following rates:

Freehold property	- 2% - 10% straight line
Leasehold property	- evenly over the term of the lease
Plant and machinery	- 10% - 50% straight line
Motor vehicles	- 25% straight line
Office equipment	- 10% - 33% straight line

Freehold land is not depreciated.

#### *Financial instruments*

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Preference shares are classified in accordance with Financial Reporting Standard 25 'Financial Instruments'.

#### *Dividends*

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Work in progress*

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. No element of profit is included in the valuation of work in progress.

# **Idverde Limited (formerly Hare Newco Limited)**

## **Notes forming part of the financial statements for the year ended 31 March 2015 (continued)**

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### **1 Accounting policies (continued)**

#### *Leased assets*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The assets are recorded in the balance sheet as tangible fixed assets and are depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the financial element, which represents a constant proportion of the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalment.

#### *Operating lease agreements*

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

#### *Pension costs*

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

The defined benefit scheme in operation has 23 active members. The group offers a broadly comparable defined benefit pension scheme where it tenders for long term contracts and there is a requirement to continue such benefits as part of the tender.

The difference between the fair value of the assets held in the group's defined pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method is recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through funds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance, with recognition of any deferred tax asset following the principles described in the deferred taxation policy below.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by the group are charged to the profit and loss account or the statement of total recognised gains or losses in accordance with Financial Reporting Standard 17 'Retirement Benefits'.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised when the factors that are required to realise deferred tax assets are virtually certain.

# Idverde Limited (formerly Hare Newco Limited)

## Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

### 1 Accounting policies (*continued*)

#### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

### 2 Exceptional items

	2015 £'000	2014 £'000
Costs arising on the sale of the group and the related settlement of debts	2,468	-
	<u>2,468</u>	<u>-</u>

### 3 Turnover

	2015 £'000	2014 £'000
Analysis by class of contract:		
Grounds maintenance	42,447	38,974
Landscape construction	8,256	8,023
	<u>50,703</u>	<u>46,997</u>

Turnover arises solely within the United Kingdom.

# Idverde Limited (formerly Hare Newco Limited)

## Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

### 4 Operating (loss)/profit

	2015 £'000	2014 £'000
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,670	1,602
Amortisation of positive goodwill	1,369	1,397
Profit on disposal of tangible fixed assets	(31)	(2)
Hire of plant and machinery - operating leases	1,549	1,392
Hire of other assets - operating leases	539	546
Fees payable to the company's auditor for the auditing of the company's annual accounts	11	38
Fees payable to the company's auditor for other services:		
- the audit of the company's subsidiaries	30	29
- audit-related assurance services	-	2
- taxation advisory services	-	11
- other non-audit services	59	14
Defined contribution pension cost	280	211
Defined benefit pension cost (see below)	121	121
	<u>          </u>	<u>          </u>

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

The audit fee for the company in 2015 and 2014 has been borne by other group companies.

	2015 £'000	2014 £'000
Defined benefit pension costs charged in arriving at the operating profit comprise the following:		
Current service cost	121	121
	<u>          </u>	<u>          </u>

### 5 Employees

Staff costs (including directors) consist of:

	Group 2015 £'000	Group 2014 £'000
Wages and salaries	21,044	19,536
Social security costs	1,698	1,503
Other pension costs	443	332
	<u>          </u>	<u>          </u>
	23,185	21,371
	<u>          </u>	<u>          </u>

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 5 Employees (*continued*)

The average number of employees (including directors) during the year was as follows:

	Group 2015 Number	Group 2014 Number
Administration staff	58	73
Field operational, including managers	973	933
Executive and non-executive directors	3	5
	<u>1,034</u>	<u>1,011</u>

The average number of employees of the company was 3 (2014: 5).

### 6 Directors' remuneration

	2015 £'000	2014 £'000
Directors' emoluments	1,533	380
Company contributions to money purchase pension schemes	14	8
	<u>1,547</u>	<u>388</u>

There were 3 directors in the group's defined contribution pension scheme during the year (2014: 1).

The total amount payable to the highest paid director in respect of emoluments was £752,850 (2014: £177,998) of this amount £598,921 (2014: £Nil) was payable in respect of a one-off bonus. Company pension contributions of £7,976 (2014: £7,920) were made to a money purchase scheme on their behalf.

### 7 Interest payable and similar charges

	2015 £'000	2014 £'000
Bank loans and overdrafts	381	133
Accrued loan note interest and similar charges	1,082	1,602
Finance leases and hire purchase contracts	160	220
Other interest payable	-	4
Accrued preference share dividend and similar charges	1,963	1,783
	<u>3,586</u>	<u>3,742</u>

# Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

## 8 Other finance income/(charges)

	2015 £'000	2014 £'000
Expected return on pension scheme assets	75	57
Interest on pension scheme liabilities	(70)	(63)
	<u>5</u>	<u>(6)</u>

## 9 Taxation on loss on ordinary activities

	2015 £'000	2014 £'000
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	668
Adjustment in respect of previous periods	(239)	8
	<u>(239)</u>	<u>676</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	(3,968)	(2,055)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%)	(833)	(473)
Effect of:		
Expenses not deductible for tax purposes	1,200	766
Depreciation for period in excess of capital allowances	343	52
Utilisation of tax losses	-	(43)
Fixed asset differences	12	-
Adjustment to tax charge in respect of previous periods	(239)	8
Other short term timing differences	(964)	366
Amounts charged directly to STRGL	(44)	-
Other permanent differences	3	-
Unrelieved tax losses and other deductions in the period	250	-
Other movements	33	-
	<u>(239)</u>	<u>676</u>

Current tax (credit)/charge for the year

# Idverde Limited (formerly Hare Newco Limited)

## Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

### 9 Taxation on loss on ordinary activities (continued)

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Accordingly, a deferred tax asset of £940,789 (2014: £1,832,421) has not been recognised. It is made up as follows:

Fixed asset timing differences £580,142 (2014: £252,165)

Short-term timing differences £75,114 (2014: £1,314,052)

Losses and other deductions £217,334 (2014: £266,204)

FRS17 asset timing difference £68,200 (2014: £Nil)

### 10 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a loss after tax of £1,831,000 (2014: £2,008,000) which is dealt with in the financial statements of the parent company.

### 11 Intangible fixed assets

#### Group

	<b>Goodwill on consolidation £'000</b>
<i>Cost</i>	
At 1 April 2014	15,876
Adjustment to cost	(8)
	<hr/>
At 31 March 2015	<b>15,868</b>
	<hr/>
<i>Amortisation</i>	
At 1 April 2014	7,725
Provided for the year	1,369
	<hr/>
At 31 March 2015	<b>9,094</b>
	<hr/>
<i>Net book value</i>	
At 31 March 2015	<b>6,774</b>
	<hr/> <hr/>
At 31 March 2014	8,151
	<hr/> <hr/>



## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 12 Tangible fixed assets Group

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
<i>Cost</i>						
At 1 April 2014	168	203	10,261	1,630	695	12,957
Additions	-	113	1,884	212	294	2,503
Disposals	-	(32)	(916)	(406)	(16)	(1,370)
At 31 March 2015	<u>168</u>	<u>284</u>	<u>11,229</u>	<u>1,436</u>	<u>973</u>	<u>14,090</u>
<i>Depreciation</i>						
At 1 April 2014	19	87	6,957	1,025	399	8,487
Provided for the year	4	41	1,339	220	66	1,670
Disposals	-	(21)	(875)	(349)	(16)	(1,261)
At 31 March 2015	<u>23</u>	<u>107</u>	<u>7,421</u>	<u>896</u>	<u>449</u>	<u>8,896</u>
<i>Net book value</i>						
At 31 March 2015	<u>145</u>	<u>177</u>	<u>3,808</u>	<u>540</u>	<u>524</u>	<u>5,194</u>
At 31 March 2014	<u>149</u>	<u>116</u>	<u>3,304</u>	<u>605</u>	<u>296</u>	<u>4,470</u>

The net book value of tangible fixed assets includes an amount of £3,024,761 (2014: £2,845,890) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £957,161 (2014: £912,152).

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 13 Fixed asset investments

#### Company

	Group undertakings £'000
<i>Cost or valuation</i>	-
At 1 April 2014	86
Additions	7,890
	<hr/>
At 31 March 2015	<b>7,976</b>
	<hr/>

#### *Subsidiary undertakings, associated undertakings and other investments*

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation	Class of share capital held	Proportion of share capital held	Nature of business
Hare Bidco Limited	England & Wales	Ordinary	100	% Holding company
Inhoco 4085 Limited ***	England & Wales	Ordinary	100	% Holding company
Banyards Limited ***	England & Wales	Ordinary	100	% Grounds maintenance and landscape construction projects
Western Landscapes Limited ***	England & Wales	Ordinary	100	% Grounds maintenance and landscape construction projects
The Landscape Group Limited *	England & Wales	Ordinary	100	% Management company for the group's operations
English Landscapes Maintenance Limited **	England & Wales	Ordinary and Preference	100	% Grounds maintenance
English Landscapes Limited **	England & Wales	Ordinary	100	% Landscape construction projects
English Woodlands Limited **	England & Wales	Ordinary	100	% Dormant

\* Owned by Inhoco 4085 Limited

\*\* Owned by The Landscape Group Limited

\*\*\* Owned by Hare Bidco Limited

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

### 14 Stocks

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Raw materials and consumables	110	96	-	-

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 15 Debtors

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade debtors	5,081	3,998	-	-
Amounts owed by group undertakings	759	-	4,425	6,320
Corporation tax recoverable	120	-	-	-
Other debtors	139	218	-	155
Prepayments and accrued income	2,282	2,069	-	-
Amounts recoverable on contracts	1,538	1,807	-	-
Other taxes and social security	34	-	-	-
	<u>9,953</u>	<u>8,092</u>	<u>4,425</u>	<u>6,475</u>

All amounts shown under debtors fall due for payment within one year.

Included within company other debtors is a trust asset of £Nil (2014: £155,820), further details are given in note 17.

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

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

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Bank loans and overdrafts (secured)	-	2,457	-	-
Trade creditors	1,755	3,205	-	-
Corporation tax	-	422	-	-
Other taxation and social security	2,128	1,489	-	-
Obligations under finance lease and hire purchase contracts	954	960	-	-
Other creditors	62	408	-	404
Accruals and deferred income	6,454	4,869	-	-
	<u>11,353</u>	<u>13,810</u>	<u>-</u>	<u>404</u>

There is no cross guarantee and debenture over all the assets of the group companies in respect of the group overdraft and bank loan at 31 March 2015 (2014: £Nil and £2,457,000 respectively).

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

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Loan stock due 2023	2,953	5,764	-	-
Amounts owed to group undertakings	6,750	-	-	-
Obligations under finance lease and hire purchase contracts	988	1,028	-	-
Preference shares	-	6,285	-	6,285
Other creditors	341	13,750	-	7,224
	<u>11,032</u>	<u>26,827</u>	<u>-</u>	<u>13,509</u>

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 17 Creditors: amounts falling due after more than one year (*continued*)

Maturity of debt:

	Loans and overdrafts 2015 £'000	Loans and overdrafts 2014 £'000	Finance leases 2015 £'000	Finance leases 2014 £'000
In one year or less, or on demand	-	2,457	954	960
In more than one year but not more than two years	-	-	639	653
In more than two years but not more than five years	-	5,764	349	375
In more than five years	2,953	-	-	-
	<b>2,953</b>	<b>5,764</b>	<b>988</b>	<b>1,028</b>

The decrease in the preference shares creditor relates to the re-designation of the shares to ordinary shares as part of the capital restructure during the year.

During the year the loan notes were transferred to idverde SAS as part of the acquisition of the group. The loan notes accrue interest at a compound rate of 15%. All interest and principle is repayable in 2023.

Included in other creditors of the company is £nil (2014: £7,223,524) in respect of preference share dividends. During the the year the preference shares were converted to ordinary shares as part of the acquisition of the group by idverde SAS. In another group company £341,162 (2014: £6,518,685) is recorded in respect of accrued loan note interest. The loan notes were transferred to idverde SAS on acquisition of the group. The interest accrued to point of acquisition formed part of the consideration for the shares acquired.

In the period ended 31 March 2010 the company set up Hare Discretionary Trust to act as a vehicle to hold all classes of financial instruments purchased from a number of directors who resigned from office. The purpose of the trust is to hold such financial instruments for re-distribution to existing shareholders and management and new management. The trust was under defacto control of Idverde Limited (formerly Hare Newco Limited) until 17 March 2015 when control was passed to Elysian Capital 1 LP as a result of the sale of the group. At this point the assets in relation to preference shares and loan notes were written down to £Nil (2014: £136,438 and £105,632 respectively).

The total bank loan was passed to idverde SAS on acquisition on 17 March 2015.

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 18 Pensions

Several pension schemes are operated by the group. The defined benefit scheme was established under an irrevocable Deed of Trust by Idverde Limited (formerly Hare Newco Limited) for its employees and those of subsidiary undertakings. The Deed determines the appointment of trustees to the fund. At 31 March 2015 there were 23 active members of the Federated Pension Plan Scheme. An investment policy was transferred from Scottish Life to the Federated Pension Plan in April 2011, the amount of the transfer payment was £698,669. This consisted of the transfer of previous service for some 13 existing members, as well as transferring into the plan an additional 15 members. The Federated Pension Plan scheme is open to new members transferring under TUPE (Transfer of Undertakings and Protection of Employment) where the group enters into customer contracts requiring a broadly comparable pension scheme offering to those transferring employees who currently contribute to a defined benefit pension scheme. The trustees of the fund are required to act in the best interests of the beneficiaries. Pension benefits generally depend on age, length of service and salary level. A full actuarial valuation of the defined benefit scheme was carried out as at 5 April 2013 and updated as at 31 March 2015 by a qualified actuary on a Financial Reporting Standard 17 basis.

	2015 £'000	2014 £'000
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	(1,529)	(1,353)
Current service cost	(121)	(121)
Interest cost	(70)	(63)
Contributions by participants	(22)	(35)
Actuarial losses	(279)	(22)
Benefits paid	50	65
	<hr/>	<hr/>
At the end of the year	(1,971)	(1,529)
	<hr/>	<hr/>
	2015 £'000	2014 £'000
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded	1,971	1,529
	<hr/>	<hr/>
	2015 £'000	2014 £'000
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	1,351	1,129
Expected rate of return on plan assets	75	57
Actuarial gains	71	19
Exchange gains	161	176
Contributions by group	22	35
Benefits paid	(50)	(65)
	<hr/>	<hr/>
At the end of the year	1,630	1,351
	<hr/>	<hr/>

# Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 18 Pensions (continued)

	2015 £'000	2014 £'000
<i>Reconciliation to balance sheet</i>		
Present value of funded obligations	(1,971)	(1,529)
Fair value of plan assets	1,630	1,351
	<u>          </u>	<u>          </u>
Plan deficit	(341)	(178)
	<u>          </u>	<u>          </u>
	2015 £'000	2014 £'000
<i>The amounts recognised in profit and loss are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost	(121)	(121)
<i>Included in other finance (income)/expense:</i>		
Interest cost	(70)	(63)
Expected return of plan assets	75	57
	<u>          </u>	<u>          </u>
	(116)	(127)
	<u>          </u>	<u>          </u>
	2015 £'000	2014 £'000
<i>Analysis of amount recognised in statement of total recognised gains and losses</i>		
Actual return less expected return on pension plan assets	71	19
Experience gains and losses arising on the scheme liabilities	14	(40)
Changes in assumptions underlying the present value of the scheme liabilities	(293)	18
	<u>          </u>	<u>          </u>
Actuarial losses recognised in the statement of total recognised gains and losses	(208)	(3)
	<u>          </u>	<u>          </u>
	2015 £'000	2014 £'000
<i>Cumulative amount of gains/(losses) recognised in the statement of total recognised gains and losses</i>	(367)	(159)
	<u>          </u>	<u>          </u>

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

### 18 Pensions (continued)

	2015 £'000	2014 £'000
<i>Composition of plan assets</i>		
European equities	492	349
European bonds	246	174
Property	892	810
Cash	-	18
	<hr/>	<hr/>
Total plan assets	1,630	1,351
	<hr/>	<hr/>

#### *Narrative description of the basis used to determine the overall expected rate of return of assets*

Overall expected rate of return on plan assets is based upon historical returns of the investment performance adjusted to reflect expectations of future long-term returns by asset class.

	2015 £'000	2014 £'000
<i>Actual return on plan assets</i>	146	76
	<hr/>	<hr/>

	2015 %	2014 %
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates	3.20	4.45
Expected rates of return on plan assets		
Equities	6.40	5.80
Bonds	3.40	2.80
Property	5.30	4.70
Cash	0.50	0.50
Future salary increases	3.00	3.00
Future pension increases	3.00	3.50
Proportion of employees opting for early retirement	3.00	3.50
Inflation assumption	3.00	3.50
Mortality rates		
- before retirement	24.00	23.90
- after retirement	26.35	26.15



# Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 18 Pensions (continued)

	31 March 2015 £'000	31 March 2014 £'000	31 March 2013 £'000	31 March 2012 £'000	30 September 2011 £'000
<i>Past five accounting periods</i>					
Present value of the plan liabilities	(1,971)	(1,529)	(1,353)	(1,213)	(924)
Fair value of the plan assets	1,630	1,351	1,129	1,007	899
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Deficit on the pension plans	(341)	(178)	(224)	(206)	(25)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Experience adjustments arising on:</i>					
Plan liabilities	14	(40)	-	9	51
Plan assets	71	19	37	(21)	35
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The group's best estimate of the contributions expected to be paid in the year beginning on the 1 April 2015 is £161,000.

The group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £443,000 (2014: £Nil). Contributions amounting to £Nil (2014: £Nil) were payable to the fund at 31 March 2015 and are included in creditors.

## 19 Share capital

	2015 £'000	2014 £'000
<i>Allotted, called up and fully paid</i>		
795,750,000 (2014: 89,180) ordinary shares of £0.01 each	7,958	1
Nil (2014: 285,820) A ordinary shares of £0.01 each	-	3
	<u>          </u>	<u>          </u>
	7,958	4
	<u>          </u>	<u>          </u>

On 17 March 2015 the 285,820 A ordinary £0.01 shares were converted into ordinary £0.01 shares.

On 17 March 2015 the company allotted 789,000,000 ordinary shares of £0.01 each for a total value of £7,890,000.

On 17 March 2015 Idverde Limited re-designated 6,375,000 preference shares to ordinary shares at £0.01 each for a total value of £63,750.

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 20 Reserves

#### Group

	Share premium account £'000	Profit and loss account £'000
At 1 April 2014	350	(16,386)
Loss for the year	-	(3,729)
Actuarial loss on pension scheme liabilities net of related taxation	-	(208)
Other movements	15,487	-
	<u>15,837</u>	<u>(20,323)</u>
At 31 March 2015	<u>15,837</u>	<u>(20,323)</u>

#### Company

	Share premium account £'000	Profit and loss account £'000
At 1 April 2014	350	(7,689)
Loss for the year	-	(3,696)
Other movements	15,487	-
	<u>15,837</u>	<u>(11,385)</u>
At 31 March 2015	<u>15,837</u>	<u>(11,385)</u>

The other movement of £15,487k in share premium arose from the redesignation of preference shares to ordinary share capital of £6,311k with the balance relating to consideration received from Idverde SA on sale of share capital on 17 March 2015.

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 21 Reconciliation of movements in shareholders' funds/(deficit)

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Loss for the year	(3,729)	(2,731)	(3,696)	(2,008)
Other net recognised gains and losses relating to the year	(208)	(3)	-	-
Issue of shares	7,954	-	7,954	-
Share premium movement	15,487	-	15,487	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net additions to/(deductions from) shareholders' funds/(deficit)	19,504	(2,734)	19,745	(2,008)
Opening shareholders' deficit	(16,032)	(13,298)	(7,335)	(5,327)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Closing shareholders' funds/(deficit)	3,472	(16,032)	12,410	(7,335)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 22 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £'000	Other 2015 £'000	Land and buildings 2014 £'000	Other 2014 £'000
Operating leases which expire:				
Within one year	37	276	19	192
In two to five years	281	1,055	318	1,321
After five years	109	31	74	31
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	427	1,362	411	1,544
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

### 23 Related party disclosures

#### *Controlling parties*

The company is controlled by Armorica SAS, on the basis that it holds a controlling interest in the voting rights of the share capital. Elysian Capital 1LP, the previous controlling party, held £5,727,634 (2014: £5,727,634) loan notes in Hare Bidco Limited, a subsidiary company, up to the point of sale on 17 March 2015 which accrued interest at 15%. As at 17 March 2015 accrued interest due to Elysian Capital 1LP was £7,378,983 (2014: £6,518,685) and that liability was settled as a result of the acquisition by Armorica SAS. During the period the Group received services to the value of £40,000 (2013: £40,000) from Elysian Capital 1LP. K Terry and R Ramsey are members of Elysian Capital 1LP and were also Directors of Idverde Limited (formerly Hare Newco Limited) up to 17 March 2015.

Preference shares in Hare Newco Limited of £6,216,948 (2014: £6,216,948) are held by Elysian Capital 1LP up to point of acquisition by Armorica SAS on 17 March 2015. These accrued a dividend of 15%.

#### *Related party transactions*

K J Terry and R A Ramsey, directors of Idverde Limited (formerly Hare Newco Limited) until 17 March 2015, are members of Elysian Capital 1LP. The group had a loan agreement in place with Elysian Capital 1LP for costs incurred through the employment of another director of the company. This loan was reassigned on 17 March 2015 to idverde SAS. The loan accrues interest at 2% above base rate, payable on demand. The balance as at 31 March 2015 was £Nil (2014: £400,351).

### 24 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2015 £'000	2014 £'000
Operating (loss)/profit	(387)	1,693
Amortisation of intangible fixed assets	1,369	1,397
Depreciation of tangible fixed assets	1,670	1,602
Profit on sale of tangible fixed assets	(31)	(2)
Increase in stocks	(14)	(1)
Increase in debtors	(1,741)	(1,207)
(Decrease)/increase in creditors	(138)	1,914
Loan from Elysian	-	53
Pension contribution adjustment	(40)	(55)
Amortisation of bank fees	-	65
Amortisation of issue costs	90	-
	<hr/>	<hr/>
Net cash inflow from operating activities	778	5,459
	<hr/>	<hr/>

## Idverde Limited (formerly Hare Newco Limited)

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

### 25 Reconciliation of net cash flow to movement in net debt

	2015 £'000	2014 £'000
Increase in cash	193	1,235
Cash inflow from changes in debt	14,040	2,285
	<u>14,233</u>	<u>3,520</u>
Movement in net debt resulting from cash flows	14,233	3,520
Inception of finance leases	(1,027)	(912)
Other non cash movements	5,236	(3,441)
	<u>18,442</u>	<u>(833)</u>
Movement in net debt	18,442	(833)
Opening net debt	(26,261)	(25,428)
	<u>(7,819)</u>	<u>(26,261)</u>
Closing net debt	(7,819)	(26,261)

### 26 Analysis of net debt

	At 1 April 2014 £'000	Cash flow £'000	Other non- cash items £'000	At 31 March 2015 £'000
Cash at bank and in hand	3,974	193	-	4,167
Debt due within one year	(2,457)	2,457	-	-
Debt due after one year	(25,790)	10,510	5,236	(10,044)
Finance leases	(1,988)	1,073	(1,027)	(1,942)
		<u>14,040</u>		
Total	(26,261)	14,233	4,209	(7,819)

Non-cash movements in net debt relate to accrued but unpaid preference share dividends and costs, and purchases of fixed assets under finance leases.