

**ENVIROCO LIMITED**

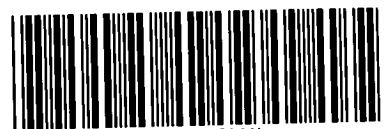
**ANNUAL REPORT AND**

**FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

**Registered No: SC180242**

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**Enviroco Limited**  
**Annual report and financial statements**  
**For the year ended 31 December 2016**

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Enviroco Limited  
Officers and professional advisers

<b>Directors</b>	A J Brown M J Walker C J Lennox
<b>Company Secretary</b>	F N McIntyre
<b>Registered Office</b>	ASCO Group Headquarters Unit A 11 Harvest Avenue D2 Business Park Dyce Aberdeen AB21 0BQ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Capitol, 431 Union Street Aberdeen AB11 6DA
<b>Solicitors</b>	Burness Paull LLP 1 Union Wynd Aberdeen AB10 1SL
<b>Bankers</b>	HSBC Bank plc 2 Queens Road Aberdeen AB15 4ZT

## **Introduction**

The directors present their Strategic Report on the company for the year ended 31 December 2016.

## **Principal activity**

The company is a wholly owned subsidiary of ASCO Holdings Limited. The company's principal activity during 2016 was the management of waste from both offshore and onshore from its point of production through the supply chain to its final destination. Comprehensive services were provided to both the North Sea oil and gas sector (both exploration and production and service companies) and other industrial sectors. The services provided include marine and industrial tank cleaning, hazardous and non-hazardous waste management, decommissioning support, drill cuttings processing, container hire and training and advisory services.

On 1 January 2017 the company transferred the trade and assets of the waste management operations to ASCO UK Limited, another company in ASCO Group and from this date the company is largely dormant, retaining its investment in NORM Solutions Limited and the freehold property at Damhead.

As shown in the company's income statement, the company's sales decreased by 27% over the prior year from £41.1m to £30.2m. The company's net assets, in the statement of financial position, at the end of the year amounted to £14.1m (2015: £23.0m), following a dividend payment of £8.0m (2015: £nil).

ASCO Group Limited manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company other than turnover and operating loss/profit are not necessary or appropriate for an understanding of the development, performance or position of the business.

The key performance indicators of the group are discussed in the Group's financial statements, and do not form part of this report.

### Principal risks and uncertainties

Like most businesses, the company operates in a market which can fluctuate, and faces strong competitive pressures.

Client investment and activity levels are, of course, influenced to some extent by the oil price (as well as other factors like the need to replace depleted reserves and rig availability). Following the sharp drop in oil price during Q4 2014, which continued through 2015 and which has recovered slightly during 2016, the expectation is that the price will remain at around current levels in the short to medium term. Activity levels for the North Sea are expected to continue to be impacted albeit with some activity improvement anticipated in 2017.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Mark Walker', is positioned above the printed name.

**M J Walker**

Director

28 April 2017

Enviroco Limited  
Directors' report

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2016.

**Results and dividends**

The loss for the financial year after interest and taxation was £864,000 (2015: £2,727,000). During the year, dividends totalling £8.0m were paid (2015: £Nil). The directors recommend that no further dividend be paid and the loss for the financial year will be transferred to the retained earnings reserve.

A more detailed review of the business and future developments is given in the Strategic Report on page 2.

**Financial risk management objectives and policies**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The company's principal financial assets are bank balances and cash, and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. This is mitigated to some extent by performing credit checks. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified trigger event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a number of counterparties.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company is party to group funding arrangements and uses a mixture of long-term and short-term finance.

**Post balance sheet events**

On 1 January 2017, the company transferred its trade and relevant assets and liabilities to a fellow group company, ASCO UK Limited, at carrying value. Certain lease obligations, investments in joint ventures and property assets were retained within the company. The directors believe that the continued integration of waste services within the group quayside activities provides the best basis for future business development.

**Environmental policy**

The company recognises the importance of its environmental responsibilities. The directors are aware of the need to comply with environmental regulations and are subject to regular visits by the Environmental Agencies in the areas in which it operates.

## **Employees**

Details concerning employees are shown in note 7. Good relations with employees are regarded as paramount, and communication is maintained through regular visits by management to all departments. The Health and Safety of all employees is constantly reviewed.

Disabled employees are employed where possible and people with disabilities have full and fair consideration for all suitable vacancies. Training is available as necessary and should an employee become disabled when working for the company efforts are made to continue their employment and retraining is provided if required.

Most employees are members of company pension schemes.

## **Directors**

The present membership of the Board is set out on page 1. There have been no changes in membership during the year.

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of directors' responsibilities (continued)**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Approved by the Board and signed on its behalf by:



M J Walker  
Director  
28 April 2017

# ***Independent auditors' report to the members of Enviroco Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Enviroco Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its 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.
- 

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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## Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Bruce Collins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen

28 April 2017

Enviroco Limited  
Statement of comprehensive income  
For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Revenue</b>	4	30,242	41,051
Cost of sales		<u>(27,696)</u>	<u>(39,002)</u>
<b>Gross Profit</b>		2,546	2,049
Administrative expenses		(2,516)	(5,177)
Exceptional items	5	(878)	-
<b>OPERATING LOSS</b>	6	<u>(848)</u>	<u>(3,128)</u>
Interest payable and similar charges	9	(90)	(50)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(938)</u>	<u>(3,178)</u>
Tax credit on loss on ordinary activities	10	74	451
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u>(864)</u></u>	<u><u>(2,727)</u></u>

All of the company's activities relate to continuing operations and the income statement has been prepared on that basis. The company has no recognised gains and losses other than as presented above.

Notes on pages 12 to 26 are an integral part of these financial statements.

Enviroco Limited  
Statement of financial position  
As at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Property, plant and equipment	12	4,497	6,525
Investments	13	-	-
		<u>4,497</u>	<u>6,525</u>
<b>CURRENT ASSETS</b>			
Stocks	14	351	384
Debtors	15	5,084	6,653
Cash at bank and in hand		<u>8,680</u>	<u>29,502</u>
		14,115	36,539
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	16	<u>(4,227)</u>	<u>(19,731)</u>
<b>NET CURRENT ASSETS</b>		<u>9,888</u>	<u>16,808</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,385	23,333
<b>CREDITORS - amounts falling due after more than one year</b>	17	(286)	(296)
Provisions for liabilities	10	-	(74)
<b>NET ASSETS</b>		<u>14,099</u>	<u>22,963</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	668	668
Share premium account		1,297	1,297
Retained earnings		<u>12,134</u>	<u>20,998</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>14,099</u>	<u>22,963</u>

Notes on pages 12 to 26 are an integral part of these financial statements.

The financial statements on pages 9 to 26 were approved by the board of directors and signed on its behalf by:



M J Walker  
Director

28 April 2017

Enviroco Limited  
Statement of changes in equity  
For the year ended 31 December 2016

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2015	668	1,297	23,725	25,690
Result for the year	-	-	(2,727)	(2,727)
At 31 December 2015	<u>668</u>	<u>1,297</u>	<u>20,998</u>	<u>22,963</u>
Result for the year	-	-	(864)	(864)
Dividends	-	-	(8,000)	(8,000)
At 31 December 2016	<u>668</u>	<u>1,297</u>	<u>12,134</u>	<u>14,099</u>

Enviroco Limited  
Notes to the financial statements  
Year ended 31 December 2016

## 1. GENERAL INFORMATION

The financial statements of Enviroco Limited for the year ended 31 December 2016 were authorised for issue by the Board of Directors and the statement of financial position was signed on the Board's behalf by M J Walker on 28 April 2017.

Enviroco Limited ("the Company") is a private limited company incorporated and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared on a going concern basis under the historical cost convention.

The specific accounting policies adopted which are consistently applied in preparing the financial statements are described below. The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand (£000) unless otherwise indicated.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity'. The company is a 'qualifying entity' as it is included in the consolidated financial statements of ASCO Group Limited. Note 23 gives details of the company's controlling entities. The company's shareholders have confirmed their agreement to the presentation of reduced disclosures.

The application of FRS 101 has enabled the company to take advantage of certain disclosure exemptions that would have been required had the company adopted International Financial Reporting Standards in full.

In particular, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (b) the requirements of IAS 7 Statement of Cash Flows;
- (c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;

## 2. ACCOUNTING POLICIES (CONTINUED)

- (e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (f) the requirements of IFRS 7 Financial Instruments: Disclosures;

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

### 2.2 Group financial statements

The company is exempt from preparing consolidated financial statements in accordance with Section 400 of the Companies Act 2006. The financial statements of the company are included within the consolidated financial statements of its ultimate UK holding company, ASCO Group Limited, a company registered in England.

### 2.3 Foreign currencies

The Company's financial statements are presented in Pounds Sterling, which is also the functional currency.

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rate ruling at the dates of the transaction. Monetary assets and liabilities at the balance sheet date are translated at year end rates of exchange. All exchange differences arising are reported as part of the results for the period.

### 2.4 Taxation

The tax expense for the current period comprises current tax and deferred tax.

#### 2.4a Current tax

Current income tax is based on the taxable result for the year and the company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable income differs from loss as reported in the income statement because it excludes or includes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company accounts for tax as part of the ASCO Group Limited group payment arrangement. The policy of the group is that group relief is provided for nil consideration between group companies.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.4b Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the income statement.

### 2.5 Financial liabilities

The company's management determines the identification of financial liabilities at initial recognition. The company's financial liabilities include payables and loans with fellow group companies. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

### 2.6 Intangible assets

Intangible assets arising on acquisition of businesses are recognised at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated amortisation losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives on a straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The rates of amortisation are as follows:

Customer relationships	10 years
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Useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7 Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any directly related costs of acquisition. Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at annual rates calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets. The expected useful economic lives applied are as follows:

Buildings	25 years
Short leasehold	over the period of the lease
Plant & equipment	2 to 10 years

### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value.

### 2.9 Investments

Fixed asset investments are stated at cost less provision for impairment.

### 2.10 Leases

Assets held under finance leases are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the lease term and their estimated useful lives. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the length of the lease. Income in respect of operating leases is credited on a straight line basis over the length of the lease.

### 2.11 Pensions

The company participates in a group defined contribution scheme. The charge to the profit and loss account is the amount of contributions payable to the scheme in the year.

### 2.12 Revenue recognition

Revenue derived from the supply of waste management and industrial services is recognised upon provision of the services. Revenue is recognised on the basis of services provided to date and revenue is deferred in circumstances where it has not yet been earned. Costs incurred on providing the services in terms of these contracts are recognised in the period in which they are incurred.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Significant judgements and estimates in these financial statements have been made with regard to tax balances (note 10) and depreciation on tangible fixed assets (note 12). An explanation of key uncertainties or assumptions used by the management in accounting for these items is explained, where material, in the respective notes.

### 4. REVENUE

Turnover comprises the invoice value of goods and services exclusive of value added tax and all turnover is in relation to sales in the UK.

### 5. EXCEPTIONAL ITEMS

Items that are material either because of their size or their nature, or that are non- recurring are considered as exceptional items and are presented within the line items to which they best relate. During the year, the exceptional items detailed below have been included separately in the income statement.

	2016 £'000	2015 £'000
Site closure costs	<u>878</u>	<u>-</u>

During the year, the company incurred exceptional costs following its decision to terminate operations at one of its waste processing facilities.

### 6. OPERATING LOSS

Operating loss is stated after charging / (crediting):

	2016 £'000	2015 £'000
Amortisation of intangible assets	-	104
Impairment of intangible assets	-	347
Depreciation	1,594	1,425
Operating lease rentals	1,022	1,002
(Gain)/loss on disposal of fixed assets included in administrative expenses	<u>(23)</u>	<u>1,418</u>

Enviroco Limited  
Notes to the financial statements  
Year ended 31 December 2016

**6. OPERATING LOSS (CONTINUED)**

**Auditors' remuneration**

During the year, the company incurred fees for audit and non-audit services of £15,000 (2015: £23,000) and £nil (2015: £7,000) respectively.

**7. STAFF COSTS**

	2016 £'000	2015 £'000
Wages and salaries	4,667	6,635
Social security costs	439	895
Other pension costs	176	400
	<u>5,282</u>	<u>7,930</u>
	<u><u>5,282</u></u>	<u><u>7,930</u></u>

	2016 No.	2015 No.
<b>By activity:</b>		
Administration	30	98
Operations	99	88
	<u>129</u>	<u>186</u>
	<u><u>129</u></u>	<u><u>186</u></u>

Total average headcount

Enviroco Limited  
Notes to the financial statements  
Year ended 31 December 2016

**8. DIRECTORS' EMOLUMENTS**

	2016 £'000	2015 £'000
Aggregate emoluments	-	140
Company contributions to pension scheme	-	7
	<u>-</u>	<u>147</u>
	<u>-</u>	<u>147</u>

	2016 £'000	2015 £'000
<b>Highest paid director</b>		
Aggregated emoluments, excluding pension contributions	-	59
Company contributions to pension scheme	-	3
	<u>-</u>	<u>62</u>
	<u>-</u>	<u>62</u>

All of the current directors are employees of other group companies and it is not considered practical to determine the specific portion of their remuneration that related to the company.

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016 £'000	2015 £'000
Interest payable on finance leases	<u>90</u>	<u>50</u>

Enviroco Limited  
Notes to the financial statements  
Year ended 31 December 2016

**10. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

During the year, the UK corporation tax rate remained unchanged at 20%.

	2016 £'000	2015 £'000
<b>Current tax:</b>		
Current tax on loss for the financial year	-	-
	<hr/> -	<hr/> -
<b>Deferred tax</b>		
Origination and reversal of timing differences	(70)	(445)
Adjustment in respect of prior years	-	1
Effect of changes in tax rates	(4)	(7)
	<hr/> (74)	<hr/> (451)
	<hr/>	<hr/>
<b>Taxation on loss on ordinary activities</b>	<u>(74)</u>	<u>(451)</u>
<b>Factors affecting the tax charge for the current year</b>		
	2016 £'000	2015 £'000
Loss on ordinary activities before taxation	(938)	(3,178)
Result multiplied by standard rate of 20% (2015: 20.25%)	<hr/> (188)	<hr/> (644)
<b>Effects of :</b>		
Expenses not deductible for tax purposes	2	199
Fixed asset differences	117	-
Income not taxable	(30)	-
Tax rate changes	17	(7)
Deferred tax not recognised	8	-
Adjustments in respect of prior years	-	1
<b>Total tax credit for the year</b>	<hr/> (74) <hr/>	<hr/> (451) <hr/>

Enviroco Limited  
Notes to the financial statements  
Year ended 31 December 2016

**10. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)**

**Deferred taxation**

The amounts of deferred taxation provided for timing differences are as follows:

	2016 £'000	2015 £'000
Depreciation in excess of capital allowances	-	1
Losses	-	73
	<u>-</u>	<u>74</u>
	<u><u>-</u></u>	<u><u>74</u></u>

The movement on the provisions for deferred tax is as follows:

	2016 £'000	2015 £'000
At 1 January	74	525
Transferred to profit and loss account	(74)	(451)
	<u>-</u>	<u>74</u>
<b>At 31 December</b>	<u><u>-</u></u>	<u><u>74</u></u>

The Company did not recognise deferred income tax assets of £76,000 (2015: £84,000) and £nil (2015: £28,000) in respect of losses that can be carried forward against future taxable income and other timing differences that will reverse in future periods respectively.

**11. INTANGIBLE ASSETS**

	Customer relationships £'000
<b>Cost and accumulated amortisation</b>	
At 1 January and 31 December 2016	1,041
	<u><u>1,041</u></u>
<b>Net book value</b>	
At 31 December 2016	-
	<u><u>-</u></u>
At 31 December 2015	-
	<u><u>-</u></u>

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**12. PROPERTY, PLANT AND EQUIPMENT**

	Land & Buildings £'000	Plant & Equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2016	5,253	12,553	17,806
Additions	19	113	132
Disposals	(1,069)	(828)	(1,897)
Group transfers	-	15	15
<b>At 31 December 2016</b>	<b>4,203</b>	<b>11,853</b>	<b>16,056</b>
<b>Accumulated Depreciation</b>			
At 1 January 2016	1,984	9,297	11,281
Charge for the year	361	1,233	1,594
Disposals	(520)	(805)	(1,325)
Group transfers	-	9	9
<b>At 31 December 2016</b>	<b>1,825</b>	<b>9,734</b>	<b>11,559</b>
<b>Net book value</b>			
At 31 December 2016	<b>2,378</b>	<b>2,119</b>	<b>4,497</b>
At 31 December 2015	<b>3,269</b>	<b>3,256</b>	<b>6,525</b>

Net book value of land and buildings consists of:

	2016 £'000	2015 £'000
Heritable land & buildings	792	1,577
Short leasehold land & buildings	1,586	1,692
	<b>2,378</b>	<b>3,269</b>

During the year, asset with cost of £15,000 and accumulated depreciation of £9,000 was transferred from fellow group company.

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**12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

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

	2016 £'000	2015 £'000
Land & Buildings	259	287
Plant & Equipment	268	397
	<u>527</u>	<u>684</u>
Depreciation charge for the year in respect of leased assets	<u>158</u>	<u>175</u>

**13. INVESTMENTS**

£'000

As at 1 January and 31 December 2016

-

The company has the following interests in non-trading subsidiary and associated undertakings

	Class of shares	% owned	Country of registration	Registered address	Nature of business
NORM Solutions Limited	Ordinary	50%	Scotland	Unit A, 11 Harvest Avenue, D2 Business Park, Dyce, Aberdeen, AB21 0BQ	NORM treatment
Peterhead Decommissioning Limited	Ordinary	14%	Scotland	Broad Cairn Services Ltd, 26 Carden Place, Aberdeen, AB10 1UQ	Dormant

Peterhead Decommissioning Limited was dissolved on 10 March 2017.

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**14. STOCKS**

	2016 £'000	2015 £'000
Finished Goods	<u>351</u>	<u>384</u>

The cost of inventories recognised as an expense and included in 'cost of sales' amount to £nil (2015: £8,000).

**15. DEBTORS**

	2016 £'000	2015 £'000
Trade debtors	1,968	2,799
Amounts owed by group undertakings	5	74
Other debtors	1,946	2,206
Prepayments and accrued income	1,165	1,574
	<u>5,084</u>	<u>6,653</u>

The carrying value of trade and other receivables are approximate to fair value. There are no non-current receivables included in the above figures.

Amounts owed from group undertakings are unsecured, interest free, repayable on demand and have no fixed repayment date.

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £'000	2015 £'000
Trade creditors	1,881	3,049
Amounts owed to group undertakings	1,011	14,392
Finance lease creditor ( secured )	63	167
Accruals and deferred income	1,272	2,123
	<u>4,227</u>	<u>19,731</u>

Amounts owed to group undertakings are unsecured, interest free, repayable on demand and have no fixed repayment date.

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**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £'000	2015 £'000
Finance lease creditor ( secured )	286	296
	<u>286</u>	<u>296</u>

**Finance lease creditor split as follows:**

	2016 £'000	2015 £'000
Repayable within 1 year (note 16)	63	167
Repayable later than one year and no later than 5 years	121	166
Repayable later than 5 years	165	130
	<u>349</u>	<u>463</u>

**18. CALLED UP SHARE CAPITAL**

Ordinary shares of £1 each

	2016 £'000	2015 £'000
<b>Allotted called up and fully paid</b>		
333,751 (2015: 333,751) 'A' ordinary shares of £1 each	334	334
333,751 (2015: 333,751) 'B' ordinary shares of £1 each	334	334
	<u>668</u>	<u>668</u>

**19. CONTINGENT LIABILITIES**

The group bank loans and overdraft are secured by standard securities over certain properties of the group and bonds and floating charges over the assets of a number of group companies. Cross guarantees also exist with other group companies. The contingent liability of the company under these arrangements at 31 December 2016 amounted to £145,062,000 (2015: £143,948,000).

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**20. CAPITAL AND OTHER COMMITMENTS**

At 31 December the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £'000	2015 £'000
Within 1 year	378	616
Later than 1 year and no later than 5 years	800	1,365
After 5 years	388	297
	<u>1,566</u>	<u>2,278</u>
	<u><u>1,566</u></u>	<u><u>2,278</u></u>
	2016 £'000	2015 £'000
<b>Contracted but not provided in the financial statements</b>		
Plant and equipment	-	84
	<u><u>-</u></u>	<u><u>84</u></u>

**21. PENSION COMMITMENTS**

The company participates in the group defined contribution scheme. The pension charge shown in note 7 represents contributions payable by the company to the defined contribution scheme and amounted to £176,000 (2015: £400,000). At 31 December 2016 there were outstanding contributions of £nil (2015: £nil).

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## 22. RELATED PARTIES

The following transactions were carried out with related parties:

	Sales to related party	Purchases from related party	Loan balance due from related party	Balance due from / (to) related party
2016	£'000	£'000	£'000	£'000
NORM Solutions Limited	66	319	1,476	1,483

	Sales to related party	Purchases from related party	Loan balance due from related party	Balance due from / (to) related party
2015	£'000	£'000	£'000	£'000
NORM Solutions Limited	143	1,019	1,429	1,408

Amounts owed by NORM Solutions Limited are unsecured, interest free, repayable on demand and have no fixed repayment date.

## 23. CONTROLLING PARTIES

The company is a subsidiary undertaking of ASCO Holdings Limited, a company registered in Scotland. Copies of its financial statements for the year ended 31 December 2016 can be obtained from the Company Secretary at ASCO Group Headquarters, Unit A, 11 Harvest Avenue, D2 Business Park, Dyce, Aberdeen, AB21 0BQ.

The ultimate parent company is ASCO Group Holdings Limited, a company registered in Jersey. The financial statements of ASCO Group Limited, the ultimate UK holding company, which reflect the consolidation of the company, are available from the Company Secretary at ASCO Group Headquarters, Unit A, 11 Harvest Avenue, D2 Business Park, Dyce, Aberdeen, AB21 0BQ.

## 24. EVENTS AFTER THE REPORTING YEAR

On 1 January 2017, the company transferred its trade and relevant assets and liabilities to a fellow group company, ASCO UK Limited, at carrying value. Certain lease obligations, investments in joint ventures and property assets were retained within the company. The directors believe that the continued integration of waste services within the group quayside activities provides the best basis for future business development.