

ENVIROCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

Registered No: SC180242

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ENVIROCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2014

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ENVIROCO LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	W M Allan	(Resigned 8 December 2014)
	A J Brown	(Appointed 9 December 2014)
	J J Coull	
	A D MacDonald	(Resigned 17 April 2014)
	K D MacIver	(Resigned 24 March 2015)
	D Smith	(Resigned 4 December 2014)
	M J Walker	
	J D R Taylor	(Appointed 24 March 2015)

Secretary	F N McIntyre
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Registered Office	Regent Centre Regent Road ABERDEEN AB11 5NS
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Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 32 Albyn Place ABERDEEN AB10 1YL
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Solicitors	Burness Paull LLP Union Plaza 1 Union Wynd ABERDEEN AB10 1DQ
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Bankers	HSBC Bank plc 2 Queens Road ABERDEEN AB15 4ZT
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ENVIROCO LIMITED

STRATEGIC REPORT

For the year ended 31 December 2014

The directors present their Strategic Report on the company for the year ended 31 December 2014.

Business Review

The company is a wholly owned subsidiary of ASCO Holdings Limited. The company's principal activity is the management of waste from both offshore and onshore from its point of production through the supply chain to its final destination. A comprehensive service is provided to the North Sea oil and gas sector (both exploration and production and service companies), but also to 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.

As shown in the company's profit and loss account on page 8, the company's sales were broadly in line with the prior year at £47.5m. The balance sheet is shown on page 9 of the financial statements. The company's net assets at the end of the year amounted to £26.1m (2013: £24.0m).

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 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. The company manages this risk by focusing on adding value to the services we deliver to our customers and to building strong, enduring, long-term client relationships.

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). With the sharp drop in oil price during Q4 2014 and the expectation that the price will remain depressed in the short to medium term, activity levels for the North Sea are expected to be impacted as operators put projects on hold.

Whilst not all of the company's activities are reliant on project activity, to mitigate some of the associated risk the business is looking at new opportunities in order to capitalise on market rationalisation with the potential that brings with companies looking to outsource and consolidate services.

Approved by the Board and signed to its order by:



.....
MJ Walker

Director

30 April 2015

ENVIROCO LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2014

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2014.

Future Developments

There have not been any significant changes to the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Post Balance Sheet Events

There have been no significant events since the balance sheet date.

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.

Environment

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 Scottish Environmental Protection Agency in Scotland and the Environmental Agency in England.

Results and Dividends

The profit for the financial year amounted to £2.1m (2013: £2.8m). The directors recommended that no dividend be paid during the year (2013: £Nil) and the profit for the financial year has been transferred to reserves.

ENVIROCO LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2014

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are set out on page 1.

D Smith, W M Allan, K D MacIver and A D MacDonald resigned as directors on 4 December 2014, 8 December 2014, 24 March 2014 and 17 April 2014 respectively. A J Brown and J D R Taylor were appointed as directors on 9 December 2014 and 24 March 2014 respectively.

Employee Involvement

Employees are provided with information on matters of concern to them, principally through the operation of regular team briefings.

In the field of consultation, the group has well-developed procedures with the appropriate trade unions, where they are recognised, and it is through such procedures and the union representation involved that the views of the employees are taken into account in making decisions which are likely to affect their interests. Elsewhere, views of employees are sought as appropriate through the management structure.

Internal communication systems have been developed to inform all managers and staff throughout the group of significant events.

Although much of the company's work is unsuitable for disabled persons, positive efforts are made to recruit and train disabled persons for appropriate work. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

ENVIROCO LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2014

Statement of Directors' Responsibilities (continued)

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.

Directors' Indemnity

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.

Statement of Disclosure of Information to Auditors

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of it.

Approved by the Board and signed to its order by:



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MJ Walker

Director

30 April 2015

ENVIROCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENVIROCO LIMITED

Report on the financial statements

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Enviroco Limited's financial statements comprise:

- Balance Sheet as at 31 December 2014;
- Profit and Loss Account 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 applicable law and United Kingdom Accounting Standards (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

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.

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

ENVIROCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENVIROCO LIMITED (CONTINUED)

Our responsibilities and those of the directors (continued)

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.

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 and Financial Statements 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.



Kevin Reynard (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
30 April 2015

ENVIROCO LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
TURNOVER	2	47,534	47,309
Cost of sales		(41,493)	(40,355)
GROSS PROFIT		6,041	6,954
Administrative expenses		(3,850)	(3,222)
OPERATING PROFIT	3	2,191	3,732
Interest payable and similar charges	6	(71)	(45)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,120	3,687
Tax on profit on ordinary activities	7	(7)	(873)
PROFIT FOR THE FINANCIAL YEAR	17	2,113	2,814

The results above all relate to continuing activities.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

ENVIROCO LIMITED

BALANCE SHEET

As at 31 December 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Intangible assets	8	858	916
Tangible assets	9	9,098	9,541
Investments	10	-	42
		<u>9,956</u>	<u>10,499</u>
CURRENT ASSETS			
Stocks	11	415	376
Debtors	12	12,986	10,873
Cash at bank and in hand		24,422	16,253
		<u>37,823</u>	<u>27,502</u>
CREDITORS: Amounts falling due within one year	13	<u>(20,694)</u>	<u>(12,763)</u>
NET CURRENT ASSETS		<u>17,129</u>	<u>14,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		27,085	25,238
CREDITORS: Amounts falling due after more than one year	14	(463)	(694)
PROVISIONS FOR LIABILITIES	15	(525)	(560)
		<u>26,097</u>	<u>23,984</u>
NET ASSETS		26,097	23,984
CAPITAL AND RESERVES			
Called up share capital	16	668	668
Share premium account	17	1,297	1,297
Profit and loss account	17	24,132	22,019
TOTAL SHAREHOLDERS' FUNDS	18	<u>26,097</u>	<u>23,984</u>

The financial statements on pages 8 to 21 were approved by the Board of Directors on 30 April 2015 and were signed to its order by:



MJ Walker
Director

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Having made the appropriate enquiries, including a review of cash flow projections and key sensitivities, the directors consider the business is a going concern. Adequate resources exist for the ASCO group of companies to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

A summary of the principal accounting policies, which have been applied consistently, is set out below:

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 ASCO Group Limited, a company registered in England.

Cash Flow Statement

The company is a wholly owned subsidiary of ASCO Holdings Limited and the cash flows of the company are included in the consolidated group cash flow statement of ASCO Group Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement.

Intangible Assets

The company capitalises goodwill arising on acquisitions of businesses and amortises it on a straight line basis over its useful economic life of no more than 20 years.

Tangible Fixed Assets and Depreciation

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

Stocks

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

Fixed Asset Investments

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

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

1 ACCOUNTING POLICIES (CONTINUED)

Leases & Hire Purchase Agreements

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. Hire purchase transactions are dealt with similarly, except that the assets are depreciated over their 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.

Taxation

Tax expense for the year comprises current tax and deferred tax.

Current tax is based on assessable profit for the year. Taxable profit differs from profit as reported in the profit and loss account 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's liability for current tax is calculated using tax rates that are enacted or substantively enacted by the balance sheet date.

The company is part of a group that obtains the benefit of tax losses to other group companies in the form of group relief. In the past, consideration for the full amount of tax loss surrendered was payable to the claimant company and was recognised as group relief receivable or group relief payable within the balance sheet of the company. In 2014, the decision was taken to remove the requirement to pay for group relief where the companies are all wholly owned within the ASCO group of companies in the UK.

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 company's taxable profits 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

1 ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a discounted basis to reflect the time value of money over the period between the balance sheet date and the dates on which it is estimated that the underlying timing differences will reverse. The discount rates used reflect the post-tax yields to maturity that can be obtained on government bonds with similar maturity dates and currencies to those of the deferred tax assets or liabilities.

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.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange rate gains and losses are reflected in the profit and loss account.

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.

Related Party Disclosures

The company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose details of intra-group transactions, on the basis that it is a wholly owned subsidiary where its voting rights are controlled within the group and the consolidated financial statements of ASCO Group Limited are publicly available.

2 TURNOVER

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.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014 £'000	2013 £'000
Amortisation of goodwill	58	58
Depreciation	1,467	1,361
Operating lease rentals – land and buildings	637	631
Operating lease rentals – plant and equipment	1,589	2,916
(Gain)/loss on disposal of fixed assets	(9)	4
	=====	=====

Auditors' remuneration in respect of both audit and non-audit services is met by ASCO Group Limited. In the opinion of the directors £23,000 (2013: £22,000) of the Group audit fee is attributed to the company and £7,000 (2013: £6,000) of the fees for non-audit services (all of which relate to tax compliance) are attributed to the company.

4 STAFF COSTS

	2014 £'000	2013 £'000
Wages and salaries	7,135	6,549
Social security costs	736	670
Other pension costs	316	128
	-----	-----
	8,187	7,347
	=====	=====

The average monthly number of persons (including executive directors) employed by the company during the financial year amounted to:

	2014 No.	2013 No.
By activity:		
Administration	61	60
Operations	149	125
	-----	-----
	210	185
	=====	=====

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

5 DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Aggregate emoluments	210	282
Company contributions to pension scheme	10	13
	<u>220</u>	<u>295</u>
	=====	=====

Certain directors were employees of other group companies and it is not considered possible to determine the specific portion of their remuneration that related to the company.

	2014 £'000	2013 £'000
Highest paid director		
Aggregate emoluments, excluding pension contributions	112	102
Company contributions to pension scheme	5	5
	<u>117</u>	<u>107</u>
	=====	=====

The number of directors for whom retirement benefits are accruing under a defined contribution scheme amounted to 2 (2013: 2).

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Interest payable on finance leases	71	45
	<u>71</u>	<u>45</u>
	=====	=====

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
Current tax		
Corporation tax on profits for the year	42	989
Adjustments in respect of prior years	-	25
	<u>42</u>	<u>1,014</u>
Deferred tax		
Origination and reversal of timing differences	(44)	(38)
Adjustment of taxes for prior years	6	(20)
Effect of changes in tax rates	3	(83)
	<u>(35)</u>	<u>(141)</u>
Taxation on profit on ordinary activities	<u>7</u>	<u>873</u>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2013: *higher than*) that obtained by applying the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%) to the profit on ordinary activities before tax. The difference is explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities for year before tax	<u>2,120</u>	<u>3,687</u>
Profit multiplied by standard rate of 21.5% (2013: 23.25%)	456	857
Effects of:		
Expenses not deductible for tax purposes	95	94
Accelerated capital allowances	44	38
Group relief not paid for	(553)	-
Adjustments in respect of prior years	-	25
Current tax charge for the year	<u>42</u>	<u>1,014</u>

The amount of unrecognised deferred tax asset is £nil (2013: £nil).

During the year, a change in the UK corporation tax rate from 23% to 21% was effective from 1 April 2014.

In addition, a number of further changes to the UK corporation tax system were announced in the March 2013 UK budget statement. Legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015 was included in the Finance Act 2013, which was substantially enacted on 2 July 2013. The closing deferred tax balances have therefore been re-measured accordingly.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

8 INTANGIBLE ASSETS

	Goodwill £'000
Cost	
At 1 January and 31 December 2014	1,156
	=====
Accumulated amortisation	
At 1 January 2014	240
Amortisation for the year	58

At 31 December 2014	298
	=====
Net book value	
At 31 December 2014	858
	=====
At 31 December 2013	916
	=====

9 TANGIBLE FIXED ASSETS

	Land & Buildings £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 January 2014	7,312	11,737	19,049
Additions	193	863	1,056
Disposals	-	(129)	(129)
	-----	-----	-----
At 31 December 2014	7,505	12,471	19,976
	=====	=====	=====
Accumulated Depreciation			
At 1 January 2014	1,904	7,604	9,508
Charge for the year	417	1,050	1,467
Disposals	-	(97)	(97)
	-----	-----	-----
At 31 December 2014	2,321	8,557	10,878
	=====	=====	=====
Net book value			
At 31 December 2014	5,184	3,914	9,098
	=====	=====	=====
At 31 December 2013	5,403	4,133	9,541
	=====	=====	=====

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

9 TANGIBLE FIXED ASSETS (continued)

Net book value of land & buildings at 31 December consists of:

	2014 £'000	2013 £'000
Heritable land & buildings	3,681	3,800
Short leasehold land & buildings	1,503	1,603
	<u>5,184</u>	<u>5,403</u>

Tangible fixed assets held under finance leases are as follows:

	Land & Buildings		Plant & Equipment	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Cost	339	339	1,072	1,934
Accumulated depreciation	(24)	-	(147)	(1,026)
	<u>315</u>	<u>339</u>	<u>925</u>	<u>908</u>

10 FIXED ASSET INVESTMENTS

	2014 £'000
Cost and Net Book Value	
At 1 January 2014	42
Impairment in the year	(42)
As at 31 December 2014	<u>-</u>

The company has an interest in the following company:

	Class of Shares	% Owned	Country of Registration	Nature of Business
NORM Solutions Limited	Ordinary	50	Scotland	NORM treatment

During the year it was announced that Peterhead Decommissioning Limited, a company in which Enviroco held 20% of the ordinary shares, was to be wound up. This investment has been impaired in the financial statements.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

11 STOCKS

	2014	2013
	£'000	£'000
Finished goods	415	376
	=====	=====

12 DEBTORS

	2014	2013
	£'000	£'000
Trade debtors	4,794	3,248
Amounts owed by group undertakings	2,722	1,794
Other debtors	2,018	1,781
Prepayments and accrued income	3,452	4,050
	-----	-----
	12,986	10,873
	=====	=====

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

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Trade creditors	4,610	3,555
Amounts owed to group undertakings	12,631	4,297
Finance lease creditor (secured)	219	308
Other creditors	8	-
Accruals and deferred income	3,226	4,603
	-----	-----
	20,694	12,763
	=====	=====

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 2014 amounted to £166,252,000 (2013: £153,335,000).

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

The finance lease creditor is secured on the assets to which the finance leases relate.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£'000	£'000
Finance lease creditor (secured)	463	694
	463	694
	=====	=====
Split as follows:		
Repayable within 1-2 years	167	222
Repayable within 2-5 years	138	277
Repayable more than 5 years	158	195
	463	694
	=====	=====

15 PROVISIONS FOR LIABILITIES

Deferred taxation

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

	2014	2013
	£'000	£'000
Depreciation in excess of capital allowances	525	560
	=====	=====

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

At 1 January	560	701
Transferred to profit and loss account (note 7)	(35)	(141)
	-----	-----
At 31 December	525	560
	=====	=====

The deferred tax liability is based on a corporation tax rate of 20% (2013: 23%).

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

16 CALLED UP SHARE CAPITAL

	2014	2013
	£'000	£'000
Allotted, called up and fully paid		
333,751 (2013: 333,751) 'A' ordinary shares of £1 each	334	334
333,751 (2013: 333,751) 'B' ordinary shares of £1 each	334	334
	<u>668</u>	<u>668</u>
	=====	=====

'A' and 'B' ordinary shares rank pari passu in terms of voting rights, dividends and with regard to return of capital in the event of a winding up.

17 RESERVES

	2014	2013
	£'000	£'000
Share premium account		
At 1 January and 31 December	<u>1,297</u>	<u>1,297</u>
	=====	=====
Profit and loss account		
At 1 January	22,019	19,205
Profit for the financial year	<u>2,113</u>	<u>2,814</u>
	-----	-----
At 31 December	<u>24,132</u>	<u>22,019</u>
	=====	=====

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£'000	£'000
Profit for the financial year	2,113	2,814
Opening shareholders' funds	<u>23,984</u>	<u>21,170</u>
	-----	-----
Closing shareholders' funds	<u>26,097</u>	<u>23,984</u>
	=====	=====

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

19 OPERATING LEASE COMMITMENTS

At 31 December the company had non-cancellable commitments under operating leases which will result in the following payments falling due in the next twelve months.

	Land & Buildings 2014 £'000	Plant & Equipment 2014 £'000	Land & Buildings 2013 £'000	Plant & Equipment 2013 £'000
On leases which expire:				
Within 1 year	86	313	65	65
Between 2-5 years	155	1,287	104	1,078
After 5 years	350	-	385	5
	<u>591</u>	<u>1,600</u>	<u>554</u>	<u>1,148</u>

20 CAPITAL COMMITMENTS

	2014 £'000	2013 £'000
Contracted but not provided in the financial statements:		
Plant and equipment	<u>1,170</u>	<u>322</u>

21 PENSION COMMITMENTS

The company participates in the group defined contribution scheme. The pension charge shown in Note 4 represents contributions payable by the company to the defined contribution scheme and amounted to £316,000 (2013: £128,000). At 31 December 2014 there were outstanding contributions of £nil (2013: £nil).

22 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of ASCO Holdings Limited, a company registered in Scotland. Copies of its financial statements for the year to 31 December 2014 can be obtained from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.

The ultimate parent company is ASCO Group Holdings Limited, a company incorporated in Jersey. The financial statements of ASCO Group Limited, which reflect the consolidation of the company, are available from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.