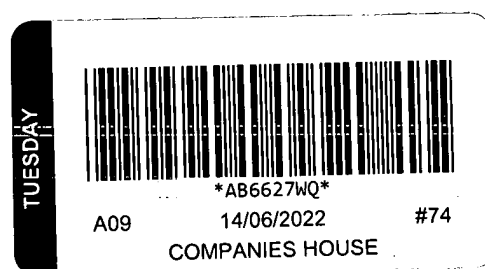


Company Registration No. 02885265 (England and Wales)

AGRIVERT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



AGRIVERT LIMITED

COMPANY INFORMATION

Directors	R B A Maddan H G Waters P J Earl
Secretary	P J Earl
Company number	02885265
Registered office	The Grain Store The Old Coal Yard Gagingwell Chipping Norton OX7 4EF
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU

AGRIVERT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Agrivert is a specialist in engineering and operating environmental infrastructure assets, particularly focused on treating organics and generating renewable energy. At the forefront of organic waste recycling and renewable energy generation for nearly 30 years, Agrivert designs, constructs and operates facilities to process and recycle organic matter.

Agrivert has a major contract it is delivering as leader of joint ventures in Hong Kong, building a food waste anaerobic digestion plant for the Hong Kong Government. The plant is scheduled to open in 2023. Agrivert also operates and maintains five anaerobic digestion plants owned by third parties in the UK and is developing other opportunities in the UK and overseas.

Results

During the year ended 31 December 2021, the company generated £11.9m of turnover and recorded an EBITDA loss of £0.7m. Comparative results for 2020 were turnover of £17.0m and an EBITDA profit of less than £0.1m. Whilst turnover has reduced and EBITDA loss has increased, the company remains in a solid position. COVID-19 has impacted on the speed of delivery of the Hong Kong project, resulting in a reduction in turnover compared to 2020, and has also restricted the company's ability to develop new opportunities due to the inability to meet face to face and to travel overseas. Management is confident that this is a temporary shift in timing rather than a permanent impact on the company's performance.

Business review

During 2021, Agrivert achieved the following:

- Continued with the delivery of a food waste anaerobic digestion plant being constructed, with partners, in Hong Kong.
- Secured contracts to deliver expansion and improvement engineering works on three third party owned UK based anaerobic digestion plants.
- Contracted to take on the operations and maintenance on a further third party anaerobic digestion plant in the UK.
- Continued to develop opportunities for further expansion of the company both in the UK and overseas.

Key performance indicators

The company uses a range of KPIs to benchmark operating and financial performance, including:

- Construction contract progress. Measuring progress on time, quality and budgetary metrics.
- Operational plant performance. Various metrics to check and adjust plant performance, including biogas generation, biological health and equipment wear.
- Compliance with debt facilities. There were no compliance failures during 2021.

Future direction

Agrivert's strategy is to continue to expand its engineering and operational offerings into its core markets, deploying its expertise into an expanded range of technologies and geographies. Agrivert will focus on delivering exciting, opportunistic and innovative solutions for its customers and experiences for its team members.

Principal risks and uncertainties

The following risks face the business, all of which arise in the normal course of the company's operations:

Liquidity risk

The company manages its liquidity by monitoring the ongoing cash flow needs of the business with rolling forecasts and finances requirements through retained cash reserves, shareholder debt and project finance debt. Interest rates vary by facility and are at both fixed and variable rates.

AGRIVERT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties (continued)

Foreign exchange risk

The company purchases equipment and spares in foreign currencies, predominantly the Euro. The Hong Kong contract is denominated in Hong Kong Dollars. Where appropriate, the company enters into forward contracts to secure exchange rates timed to mature when transactions are due. The balance of the currency risk is on the spot market.

Construction risk

Failure to deliver a construction project on time and on budget might lead to project losses and late delivery penalties.

Regulatory compliance risk

Certain of the company's activities operate in a highly regulated sector, failure to comply with regulations can have significant consequences ranging from fines to suspension of activities. The regulations cover areas including: health & safety, environment and planning. The group operates to ISO 9001 and ISO 14001. Compliance with regulation is monitored through regular internal audit.

On behalf of the board



.....
P J Earl

Director

23 May 2022
Date:

AGRIVERT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of design, construction and operation of facilities for the processing and recycling of organic materials under long term contracts, primarily for the water and waste industries; and the generation of renewable energy. In addition to its UK operations, the company is a partner in joint ventures which are delivering design and build engineering services in Hong Kong.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R B A Maddan
H G Waters
P J Earl

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and principal risks and uncertainties.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
P J Earl

Director

23 May 2022
Date:

AGRIVERT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRIVERT LIMITED

Opinion

We have audited the financial statements of Agrivert Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRIVERT LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRIVERT LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls, revenue cut-off and expenditure cut-off and completeness specifically related to a contract entered into as part of jointly controlled operations as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and sampling revenue transactions either side of the year end to ensure they had been recognised in the correct accounting period. In addressing the risk of expenditure cut-off and completeness specifically related to jointly controlled operations we assessed the stage of completion of the relevant contract through agreement to valuation certificates and inquired with management, to ensure the appropriate costs to date had been recognised or accrued as appropriate. We also tested a sample of expenditure transactions through to supporting documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Mayulee Pinkerton

Mayulee Pinkerton CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire, RG1 3EU

23/05/22

AGRIVERT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	4	11,930,848	17,011,730
Cost of sales		(10,516,025)	(14,724,006)
Gross profit		1,414,823	2,287,724
Administrative expenses		(2,166,232)	(2,307,712)
Operating loss	6	(751,409)	(19,988)
Interest payable and similar expenses	7	(348,414)	(167,072)
Loss before taxation		(1,099,823)	(187,060)
Tax on loss	8	-	-
Loss for the financial year		(1,099,823)	(187,060)

The income statement has been prepared on the basis that all operations are continuing operations.

AGRIVERT LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

		2021		2020	
	Notes	£	£	as restated	£
Fixed assets					
Tangible assets	9		34,171		49,118
Investments	10		1		1
			<u>34,172</u>		<u>49,119</u>
Current assets					
Stocks	13	70,159		-	
Debtors	14	8,181,873		4,937,782	
Cash at bank and in hand		58,585		120,072	
			<u>8,310,617</u>	<u>5,057,854</u>	
Creditors: amounts falling due within one year	15	<u>(6,261,953)</u>		<u>(3,643,963)</u>	
Net current assets			<u>2,048,664</u>		<u>1,413,891</u>
Total assets less current liabilities			<u>2,082,836</u>		<u>1,463,010</u>
Creditors: amounts falling due after more than one year	16		(3,645,159)		(1,925,510)
Net liabilities			<u>(1,562,323)</u>		<u>(462,500)</u>
Capital and reserves					
Called up share capital	19		5,000		5,000
Profit and loss reserves	20		(1,567,323)		(467,500)
Total equity			<u>(1,562,323)</u>		<u>(462,500)</u>

23 May 2022

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



.....
P J Earl
Director

AGRIVERT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Profit and loss reserves £	Total £
Period ended 31 December 2020:			
Balance at 1 January 2020	5,000	(280,440)	(275,440)
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(187,060)	(187,060)
Balance at 31 December 2020	5,000	(467,500)	(462,500)
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(1,099,823)	(1,099,823)
Balance at 31 December 2021	5,000	(1,567,323)	(1,562,323)

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Agrivert Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Grain Store, The Old Coal Yard, Gagingwell, Chipping Norton, OX7 4EF.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Agrivert Renewables Limited. These consolidated financial statements are available from its registered office, The Grain Store, The Old Coal Yard, Gagingwell, Chipping Norton, OX7 4EF.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have taken measures to minimise the ongoing impact of COVID-19 on the operations of the company and the resultant impact on its financial position. Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have reviewed detailed forecasts and consider the company is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of 12 months from the date of approving the financial statements. In particular, the directors have considered the forecast level of cash held by the company and consider that a sufficient level of cash is available and accessible for the company to meet its liabilities even with downside scenarios of future sales and collection of cash. On this basis, the directors consider it appropriate to prepare these financial statements on the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Construction projects

Revenue on construction projects is recognised as contract activity progresses, such that revenue recognised represents the stage of completion of the project. This is subject to being able to assess the outcome of the project with reasonable certainty. Where the outcome cannot be assessed with reasonable certainty, revenue is recognised to the extent that the costs incurred are considered to be recoverable.

Other revenue

Other revenue represents amounts receivable for professional services provided by the company and is recognised as the services are delivered.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
Motor vehicles	2 - 7 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled operations.

Stocks

Stocks represents consumables for use in the business and is stated at cost.

At each reporting date, an assessment is made for impairment. Any impairment is recognised as a loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and shareholders loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Taxation

Due to trading losses incurred in the current period, there is no current tax expense recognised in these financial statements. Similarly, deferred tax assets are only recognised to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Accordingly, no deferred tax asset has been recognised in these financial statements.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition and long-term contract balances

Management applies judgement when assessing the percentage of completion for contracts and the subsequent net realisable value of contract work in progress, taking into account the most reliable evidence available at each reporting date. The future realisation of these amounts may be affected by the future outcome of these contracts. Provisions are made for any losses which are foreseen.

Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Prior period adjustment

In the financial statements for the year ended 31 December 2020, two restricted cash balances of £1,487,396 and £596,908 were inappropriately presented as cash at bank. These balances reflect restricted cash balances over which the entity has no control or ready access to. An amount of £1,487,396 reflects a cash-back security provided against the company's share of a bond provided to the Hong Kong Government in accordance with the terms of its joint venture operations. The company cannot access or utilise these funds as they are under the control of the bank providing the bond. As a result of this, the directors consider it to be more appropriate to present this amount within other debtors to better reflect the nature of this transaction. An amount of £596,908 reflects monies placed on deposit to offset accrued interest and commitment fees payable under the terms of a loan entered into by the entity. Under the terms of this loan, there is a right of offset, and the directors therefore consider it more appropriate to show this amount net of outstanding borrowings reported at the year end. An equivalent reallocation adjustment has also been made to the opening balance sheet at 1 January 2020, to reallocate £1,517,701 from bank and cash to debtors due within one year.

Changes to the statement of financial position

	As previously reported £	Adjustment at 31 Dec 2020 £	As restated at 31 Dec 2020 £
Current assets			
Debtors due within one year	3,450,386	1,487,396	4,937,782
Bank and cash	2,204,376	(2,084,304)	120,072
Net current assets	2,010,799	(596,908)	1,413,891
Creditors due after one year			
Borrowings	(2,515,896)	596,908	(1,918,988)
Net liabilities	(462,500)	-	(462,500)
Capital and reserves			
Total equity	(462,500)	-	(462,500)

4 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Engineering	11,930,848	17,011,730
Turnover analysed by geographical market		
UK	146,562	309,415
Asia	11,784,286	16,702,315
	11,930,848	17,011,730

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Management and administration	6	6
Engineering	14	12
Total	20	18

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,429,301	1,298,523
Social security costs	115,760	113,882
Pension costs	79,833	72,981
	1,624,894	1,485,386

6 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(99,129)	150,415
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	15,000
Depreciation of owned tangible fixed assets	12,326	8,760
Depreciation of tangible fixed assets held under finance leases	16,230	16,320
(Profit)/loss on disposal of tangible fixed assets	-	827

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	7	-
Other interest on financial liabilities	347,707	165,729
Interest on finance leases and hire purchase contracts	700	1,343
	348,414	167,072

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Taxation

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(1,099,823)	(187,060)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(208,966)	(35,541)
Tax effect of expenses that are not deductible in determining taxable profit	349	860
Change in unrecognised deferred tax assets	443,645	87,174
Effect of change in corporation tax rate	(234,482)	(52,493)
Permanent capital allowances in excess of depreciation	(546)	-
Taxation charge for the year	-	-

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021 and deferred tax has been calculated at 25%.

9 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 January 2021	35,530	48,688	84,218
Additions	13,609	-	13,609
At 31 December 2021	49,139	48,688	97,827
Depreciation and impairment			
At 1 January 2021	10,210	24,890	35,100
Depreciation charged in the year	12,326	16,230	28,556
At 31 December 2021	22,536	41,120	63,656
Carrying amount			
At 31 December 2021	26,603	7,568	34,171
At 31 December 2020	25,320	23,798	49,118

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Tangible fixed assets (Continued)

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

	2021 £	2020 £
Motor vehicles	7,821	24,051

10 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	11	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2021 & 31 December 2021	1
Carrying amount	
At 31 December 2021	1
At 31 December 2020	1

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Agrivert (Hong Kong) Limited	a)	Dormant	Ordinary shares	100.00
Agrivert (Asia Holdings) Limited	a)	Dormant	Ordinary shares	100.00

Registered office addresses (all UK unless otherwise indicated):

a) 2/F Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Joint ventures

Details of the company's joint venture operations at 31 December 2021 are as follows:

Name of undertaking	Nature of business
AJA Joint Venture	Design, build and operation of anaerobic digestion plants
JEC-Agrivert IJV	Design, build and operation of anaerobic digestion plants

13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	70,159	-

14 Debtors

	2021 £	2020 as restated £
Amounts falling due within one year:		
Trade debtors	14,670	173,210
Amounts owed by joint ventures	6,218,369	3,172,991
Other debtors	1,567,824	1,517,128
Prepayments and accrued income	381,010	74,453
	8,181,873	4,937,782

Other debtors include an amount of £1,487,396 (2020: £1,487,396) in relation to a cash-backed security provided against the company's share of a bond provided to the Hong Kong government in its capacity as a venturer of a joint venture in the ordinary course of that operation's activities. This amount cannot be utilised by the company as it is under the control of the bank providing the bond.

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	17	6,522	12,591
Trade creditors		110,187	118,224
Amounts owed to group undertakings		5,845,287	3,268,400
Taxation and social security		48,784	72,907
Other creditors		17,142	14,719
Accruals and deferred income		234,031	157,122
		6,261,953	3,643,963

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Creditors: amounts falling due after more than one year

		2021	2020 as restated
	Notes	£	£
Other loans		3,645,159	1,918,988
Obligations under finance leases	17	-	6,522
		<u>3,645,159</u>	<u>1,925,510</u>

Included in other loans is £4,111,573 (2020: £2,515,896) in respect of a facility agreement which accrues interest at 8% pa. The total facility available is £7 million and is repayable in full in July 2023. The facility is secured by a fixed and floating charge over the assets of the company. The amount is shown net of a cash balance of £466,414 (2020: £596,908) which is restricted under the terms of the loan agreement and cannot be utilised by the company as it is under the control of the loan provider.

17 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Less than one year	6,630	13,291
Between one and five years	-	6,630
	<u>6,630</u>	<u>19,921</u>
Less: future finance charges	(108)	(808)
	<u>6,522</u>	<u>19,113</u>

Finance lease payments represent rentals payable by the company for certain motor vehicles. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	79,833	72,981
	<u>79,833</u>	<u>72,981</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end, a liability of £17,142 (2020: £14,595) was included in other creditors in respect of defined contribution schemes.

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

20 Profit and loss reserves

Represents cumulative profit or loss, net of distributions to owners.

21 Financial commitments, guarantees and contingent liabilities

In the normal course of business, the company has provided an unlimited guarantee as security in connection with a joint venture in which the company participates. It is impractical to disclose an estimate of the financial effect, uncertainties relating to the amount or timing and the possibility of any reimbursement.

22 Operating lease commitments

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

	2021 £	2020 £
Within one year	-	3,204

AGRIVERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

23 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Provision of services	
	2021	2020
	£	£
Joint ventures	1,200,620	2,029,946

	Loans given during the year	
	2021	2020
	£	£
Joint ventures	2,752,007	1,967,661

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due from related parties		
Joint ventures	6,218,369	3,172,991

24 Ultimate controlling party

Agrivert Renewables Limited is the immediate parent of the company. Agrivert Renewables Limited is the smallest and largest group to prepare consolidated financial statements that includes the results of Agrivert Limited. Consolidated financial statements are publically available from The Grain Store, The Old Coal Yard, Gagingwell, Chipping Norton, OX7 4EF.

The directors consider the ultimate parent to be The Highland Trust, which is registered in Guernsey. The trustees of The Highland Trust are considered to be the ultimate controlling party.