

Registration number: 08104785

Bio Collectors Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2019

Critchleys Audit LLP
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP



Bio Collectors Holdings Limited

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Bio Collectors Holdings Limited

Company Information

Directors	P Killoughery W Mezzullo C Holmes B Field D Purvis
Registered office	10 Osier Way Mitcham Surrey CR4 4NF
Bankers	National Westminster Plc 153 Putney High Street Putney London SW15 1RX
Auditors	Critchleys Audit LLP Beaver House 23 - 38 Hythe Bridge Street Oxford OX1 2EP

Bio Collectors Holdings Limited

Strategic Report for the Year Ended 30 September 2019

The directors present their strategic report for the year ended 30 September 2019.

Principal activity

The principal activity of the company is food waste management

Fair review of the business

The principal activity of Bio Collectors Holdings during the year was that of a holding company for three companies. Bio Collectors Limited, Riverside Bio Limited and Riverside Bio AD Limited. The third of these is a dormant company.

The main activity of Bio Collectors Limited is that of food waste collection and recycling services for London Businesses. Turnover increased by approximately 5% from 2019 due to several new contracts that have been won. Costs relating to a larger number of vehicles in the year increased along with higher salary costs. These are the two main reasons for a slightly lower operating profit in 2019. Overall, total equity funds were up 10%.

Riverside Bio Limited is a company that works alongside Bio Collectors running the food waste processing and anaerobic digestion plant. Turnover for this company was up 22% in the year from £4,990k to £6,090k. The increase was due to a number of key factors including the sale of a number of greenhouse gas certificates alongside the increase in food waste collected, as referenced for Bio Collectors, leading to an increase in the gas and electricity income for Riverside Bio. Operating profit more than doubled in the year due to the substantial increase in income. The costs related to the regular operations did rise, as expected with the increase in income but was offset by a reduction other cost areas. As at the year end the total funds were £2,587k.

Principal risks and uncertainties

The company faces a number of business risks and uncertainties, not least the unknown impact of the current Covid-19 pandemic. The directors regularly monitor the risks the companies are exposed to ensuring that they have appropriate cash and equity to protect the business. Post year end Jlen Environmental Assets Group (Uk) Ltd purchased 70% of the share Capital of Bio Collectors Holdings. Additionally, funding was provided to enable one of the group companies to settle a significant loan with a third party, therefore benefiting from an intercompany loan opposed to external funding. Jlen has significant experience of the renewable energy sector.

There are a number of risks the companies are exposed to mainly financial risks, which are described in more detail below.

Financial instruments

Objectives and policies

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have broadly remained unchanged from previous periods.

Bio Collectors Holdings Limited

Strategic Report for the Year Ended 30 September 2019

Liquidity risk, interest rate risk and credit risk

Liquidity Risk

The companies seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The business has sufficient liquidity to meet the foreseeable requirements and currently does not make use of an overdraft.

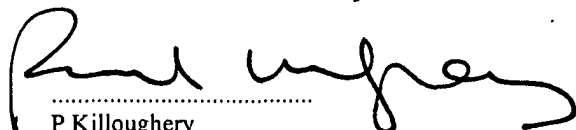
Interest Rate Risk

The companies finance their operations through group funding and finance leases for the purchase of significant assets. The company's exposure to interest fluctuations on its borrowings is monitored to ensure the risk is minimised. In the case of finance leases, the interest rate is agreed within the appropriate contract and is not vulnerable to fluctuation. The business holds surplus cash on deposit although this currently attracts a low interest rate. In the current environment interest rates are not seen as a material risk.

Credit Risk

The companies' principal financial assets are trade debtors. To manage credit risk the directors set limits for customers based on a combination of payment history and an analysis of available financial information. The directors of the businesses review the aging of debt at monthly Board Meetings. Most of the revenue of the businesses is derived from Public Bodies, Government Renewable Energy Incentive Schemes and large commercial businesses and the business has suffered no significant bad debts recently and has no substantial overdue debt. Credit limits are reviewed on a regular basis taking account of the size of the debt and collection history.

Approved by the Board on 3/6/20 and signed on its behalf by:



P Killoughery
Director

Bio Collectors Holdings Limited

Directors' Report for the Year Ended 30 September 2019

The directors present their report and the consolidated financial statements for the year ended 30 September 2019.

Directors of the group

The directors who held office during the year were as follows:

P Killoughery

C Killoughery (ceased 13 December 2019)

The following directors were appointed after the year end:

W Mezzullo (appointed 13 December 2019)

C Holmes (appointed 13 December 2019)

B Field (appointed 13 December 2019)

D Purvis (appointed 1 April 2020)

Information included in the 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 Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial instruments.

Dividends

The directors recommended dividend of £150,000 to be paid for Bio Collectors Holdings Limited, £75,000 for Riverside Bio Limited and £75,000 for Bio Collectors Limited.

Events after the end of the reporting period

As set out in note 22 to the financial statements, on 13 December 2019 70% of the share capital of Bio Collectors Holdings Limited was purchased by Jlen Environmental Assets Group (Uk) Ltd.

In addition, a creditor balance of approximately £4m was settled. This was enabled by an intercompany loan of the same value.

Future developments

Bio Collectors Holdings Limited is focused on future growth. These opportunities include increasing the number of collection and municipal contracts for the food waste and taking advantage of technical improvements to increase the gas and electricity output of the plant. The involvement of Jlen from December 2019 provides the opportunity to take advantage of sector knowledge within their portfolio and provide access to funding for development projects.

This report is issued during the Covid 19 pandemic; the impact on the business and the available Government reliefs are monitored regularly.

Research and development

The companies engage in research and development activities relating to the processing of food waste within its anaerobic digestion plant.

Directors' liabilities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to the auditor

Bio Collectors Holdings Limited

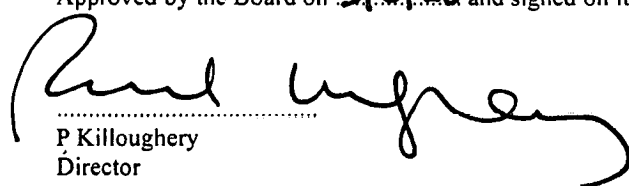
Directors' Report for the Year Ended 30 September 2019

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Critchleys Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 3/6/20 and signed on its behalf by:


P Killoughery
Director

Bio Collectors Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

Bio Collectors Holdings Limited

Independent Auditor's Report to the Members of Bio Collectors Holdings Limited

Opinion

We have audited the financial statements of Bio Collectors Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and the parent company's affairs as at 30 September 2019 and of the group's 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.

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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Bio Collectors Holdings Limited

Independent Auditor's Report to the Members of Bio Collectors Holdings Limited

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], 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 group's and the parent 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bio Collectors Holdings Limited

Independent Auditor's Report to the Members of Bio Collectors Holdings Limited



.....
Andrew Rodzynski (Senior Statutory Auditor)
For and on behalf of Critchleys Audit LLP, Statutory Auditor

Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Date:..18 June 2020

Bio Collectors Holdings Limited

Consolidated Profit and Loss Account for the Year Ended 30 September 2019

	Note	2019 £	2018 £
Turnover	3	9,341,594	8,075,008
Cost of sales		<u>(6,672,372)</u>	<u>(6,625,947)</u>
Gross profit		2,669,222	1,449,061
Administrative expenses		(141,605)	(115,508)
Other operating income	4	<u>1,250</u>	<u>-</u>
Operating profit	5	2,528,867	1,333,553
Interest payable and similar expenses	6	<u>(308,499)</u>	<u>(395,491)</u>
Profit before tax		2,220,368	938,062
Taxation	10	<u>(443,022)</u>	<u>(126,245)</u>
Profit for the financial year		<u>1,777,346</u>	<u>811,817</u>
Profit/(loss) attributable to:			
Owners of the company		<u>1,777,346</u>	<u>811,817</u>

The group has no recognised gains or losses for the year other than the results above.

Bio Collectors Holdings Limited

**Consolidated Statement of Comprehensive Income for the Year Ended 30 September
2019**

	2019	2018
	£	£
Profit for the year	<u>1,777,346</u>	<u>811,817</u>
Total comprehensive income for the year	<u>1,777,346</u>	<u>811,817</u>
Total comprehensive income attributable to:		
Owners of the company	<u>1,777,346</u>	<u>811,817</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

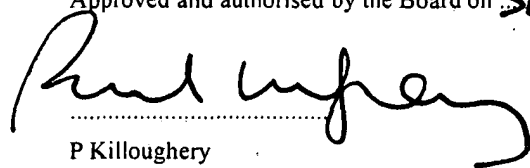
Bio Collectors Holdings Limited

(Registration number: 08104785)

Consolidated Balance Sheet as at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	7,365,452	6,891,894
Current assets			
Stocks	13	261,500	261,259
Debtors	14	2,560,390	2,749,001
Cash at bank and in hand		<u>1,386,963</u>	<u>251,253</u>
		4,208,853	3,261,513
Creditors: Amounts falling due within one year	16	<u>(2,171,898)</u>	<u>(2,652,096)</u>
Net current assets		<u>2,036,955</u>	<u>609,417</u>
Total assets less current liabilities		9,402,407	7,501,311
Creditors: Amounts falling due after more than one year	16	(5,138,604)	(5,064,551)
Provisions for liabilities		<u>(669,408)</u>	<u>(469,711)</u>
Net assets		<u>3,594,395</u>	<u>1,967,049</u>
Capital and reserves			
Called up share capital	18	45,102	45,102
Profit and loss account		<u>3,549,293</u>	<u>1,921,947</u>
Equity attributable to owners of the company		<u>3,594,395</u>	<u>1,967,049</u>
Total equity		<u>3,594,395</u>	<u>1,967,049</u>

Approved and authorised by the Board on 3/6/20 and signed on its behalf by:



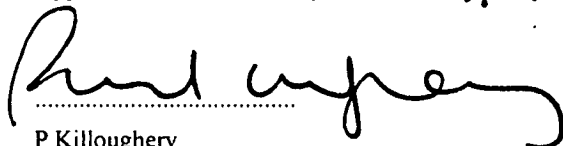
P Killoughery
Director

Bio Collectors Holdings Limited
(Registration number: 08104785)
Balance Sheet as at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	12	45,200	45,200
Current assets			
Debtors	14	1,075,269	110,438
Creditors: Amounts falling due within one year	16	<u>(1,088,332)</u>	<u>(121,536)</u>
Net current liabilities		<u>(13,063)</u>	<u>(11,098)</u>
Net assets		<u>32,137</u>	<u>34,102</u>
Capital and reserves			
Called up share capital	18	45,102	45,102
Profit and loss account		<u>(12,965)</u>	<u>(11,000)</u>
Total equity		<u>32,137</u>	<u>34,102</u>

The company made a profit after tax for the financial year of £148,035 (2018 - profit of £226,100).

Approved and authorised by the Board on 3/6/20 and signed on its behalf by:



P Killoughery
Director

Bio Collectors Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 September 2019 **Equity attributable to the parent company**

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 October 2018	45,102	1,921,947	1,967,049	1,967,049
Profit for the year	-	1,777,346	1,777,346	1,777,346
Total comprehensive income	-	1,777,346	1,777,346	1,777,346
Dividends	-	(150,000)	(150,000)	(150,000)
At 30 September 2019	45,102	3,549,293	3,594,395	3,594,395
	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 October 2017	45,002	1,338,130	1,383,132	1,383,132
Profit for the year	-	811,817	811,817	811,817
Total comprehensive income	-	811,817	811,817	811,817
Dividends	-	(228,000)	(228,000)	(228,000)
New share capital subscribed	100	-	100	100
At 30 September 2018	45,102	1,921,947	1,967,049	1,967,049

The notes on pages 18 to 28 form an integral part of these financial statements.

Bio Collectors Holdings Limited

Statement of Changes in Equity for the Year Ended 30 September 2019

	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 October 2018	45,102	(11,000)	34,102
Profit for the year	-	148,035	148,035
Total comprehensive income	-	148,035	148,035
Dividends	-	(150,000)	(150,000)
At 30 September 2019	45,102	(12,965)	32,137
	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 October 2017	45,002	(9,100)	35,902
Profit for the year	-	226,100	226,100
Total comprehensive income	-	226,100	226,100
Dividends	-	(228,000)	(228,000)
New share capital subscribed	100	-	100
At 30 September 2018	45,102	(11,000)	34,102

The notes on pages 18 to 28 form an integral part of these financial statements.

Bio Collectors Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 30 September 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		1,777,346	811,817
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	605,337	490,980
Loss on disposal of tangible assets		35,899	25,504
Finance costs	6	308,499	395,491
Corporation tax expense	10	443,022	126,245
		<u>3,170,103</u>	<u>1,850,037</u>
Working capital adjustments			
Increase in stocks	13	(241)	(80,978)
Increase in trade debtors	14	(776,220)	(546,260)
Increase in trade creditors	16	998,378	18,523
Cash generated from operations		3,392,020	1,241,322
Corporation tax paid	10	(69,920)	(93,200)
Net cash flow from operating activities		<u>3,322,100</u>	<u>1,148,122</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(516,548)	(319,036)
Proceeds from sale of tangible assets		5,500	10,921
Net cash flows from investing activities		<u>(511,048)</u>	<u>(308,115)</u>
Cash flows from financing activities			
Interest paid	6	(308,499)	(395,491)
Proceeds from issue of ordinary shares, net of issue costs		-	100
Net capital repayments to finance lease creditors		(1,216,843)	(235,722)
Dividends paid		(150,000)	(228,000)
Net cash flows from financing activities		<u>(1,675,342)</u>	<u>(859,113)</u>
Net increase/(decrease) in cash and cash equivalents		1,135,710	(19,106)
Cash and cash equivalents at 1 October		251,253	270,359
Cash and cash equivalents at 30 September		<u>1,386,963</u>	<u>251,253</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

Bio Collectors Holdings Limited

Statement of Cash Flows for the Year Ended 30 September 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		148,035	226,100
Adjustments to cash flows from non-cash items			
Finance income		<u>(150,000)</u>	<u>(228,000)</u>
		(1,965)	(1,900)
Working capital adjustments			
Increase in trade debtors	14	(964,831)	(110,438)
Increase in trade creditors	16	<u>966,796</u>	<u>112,338</u>
Net cash flow from operating activities		<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest received		150,000	228,000
Acquisition of subsidiaries	12	<u>-</u>	<u>(100)</u>
Net cash flows from investing activities		<u>150,000</u>	<u>227,900</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs		-	100
Dividends paid		<u>(150,000)</u>	<u>(228,000)</u>
Net cash flows from financing activities		<u>(150,000)</u>	<u>(227,900)</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 October		<u>-</u>	<u>-</u>
Cash and cash equivalents at 30 September		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 18 to 28 form an integral part of these financial statements.

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

10 Osier Way
Mitcham
Surrey
CR4 4NF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2019.

Bio Collectors Limited was acquired by Bio Collectors Holdings Limited on 27 February 2018. As a group reconstruction the merger accounting method has been applied and the comparatives include the results and financial position of Bio Collectors Limited for the full year.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

Turnover represents amounts invoiced during the year, shown net of sales/value added tax. Turnover from the provision of waste disposal services is recognised at the point when the service has been provided.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery - Bio Gas items	Between 16 to 20 years
Plant and machinery - Non-Bio Gas items	15% reducing balance
Plant and machinery	15% reducing balance

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019	2018
	£	£
Sale of goods	<u>9,341,594</u>	<u>8,075,008</u>

The whole of turnover is attributable to food waste management.

All turnover arose within the United Kingdom.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2019	2018
	£	£
Miscellaneous other operating income	<u>1,250</u>	<u>-</u>

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

5 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	<u>605,337</u>	<u>490,980</u>

6 Interest payable and similar expenses

	2019 £	2018 £
Interest on obligations under finance leases and hire purchase contracts	<u>308,499</u>	<u>395,491</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	1,715,326	1,604,803
Social security costs	174,674	162,056
Pension costs, defined contribution scheme	29,003	16,953
Other employee expense	<u>29,967</u>	<u>8,835</u>
	<u>1,948,970</u>	<u>1,792,647</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Plant operatives	18	18
Finance and administration	2	2
Engineers	2	2
Sales and marketing	4	4
Transport	24	24
Site management	<u>2</u>	<u>2</u>
	<u>52</u>	<u>52</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Sums paid to third parties for directors' services	<u>62,400</u>	<u>62,400</u>

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

9 Auditors' remuneration

	2019 £	2018 £
Audit of these financial statements	<u>18,200</u>	<u>13,500</u>

10 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	243,473	70,103
UK corporation tax adjustment to prior periods	<u>(148)</u>	<u>(351)</u>
	243,325	69,752
Deferred taxation		
Arising from origination and reversal of timing differences	<u>199,697</u>	<u>56,493</u>
Tax expense in the income statement	<u>443,022</u>	<u>126,245</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>2,220,368</u>	<u>938,062</u>
Corporation tax at standard rate	421,870	178,232
Effect of expense not deductible in determining taxable profit (tax loss)	3,229	3,623
Deferred tax expense from unrecognised temporary difference	199,697	56,493
Decrease in UK and foreign current tax from adjustment for prior periods	(148)	(351)
Tax decrease from effect of capital allowances and depreciation	<u>(181,626)</u>	<u>(111,752)</u>
Total tax charge	<u>443,022</u>	<u>126,245</u>

Deferred tax

Group

Deferred tax assets and liabilities

2019

Accelerated tax depreciation

Liability
£

669,408

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

2018	Liability £
Accelerated tax depreciation	<u>469,711</u>

11 Tangible assets

Group

	Other property, plant and equipment £	Total £
Cost or valuation		
At 1 October 2018	8,170,451	8,170,451
Additions	1,120,294	1,120,294
Disposals	<u>(78,334)</u>	<u>(78,334)</u>
At 30 September 2019	<u>9,212,411</u>	<u>9,212,411</u>
Depreciation		
At 1 October 2018	1,278,557	1,278,557
Charge for the year	605,337	605,337
Eliminated on disposal	<u>(36,935)</u>	<u>(36,935)</u>
At 30 September 2019	<u>1,846,959</u>	<u>1,846,959</u>
Carrying amount		
At 30 September 2019	<u>7,365,452</u>	<u>7,365,452</u>
At 30 September 2018	<u>6,891,894</u>	<u>6,891,894</u>

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2019 £	2018 £
Other property, plant and equipment	<u>4,609,568</u>	<u>4,334,649</u>

12 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	<u>45,200</u>	<u>45,200</u>

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

Subsidiaries	£
Cost or valuation	
At 1 October 2018	<u>45,200</u>
Provision	
Carrying amount	
At 30 September 2019	<u>45,200</u>
At 30 September 2018	<u>45,200</u>

Details of undertakings

Details of the investments, which are all included in the consolidated financial statements, (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Riverside Bio Limited	10 Osier Way, Mitcham, Surrey, CR4 4NF England and Wales	Ordinary	100%	100%
Riverside AD Limited	10 Osier Way, Mitcham, Surrey, CR4 4NF England and Wales	Ordinary	100%	100%
Bio Collectors Limited	10 Osier Way, Mitcham, Surrey, CR4 4NF England and Wales	Ordinary	100%	100%

Subsidiary undertakings

Riverside Bio Limited

The principal activity of Riverside Bio Limited is food waste management..

Riverside AD Limited

The principal activity of Riverside AD Limited is dormant. Its financial period end is 31 January.

Bio Collectors Limited

The principal activity of Bio Collectors Limited is food waste management..

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

13 Stocks

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Other inventories	<u>261,500</u>	<u>261,259</u>	<u>-</u>	<u>-</u>

14 Debtors

		Group		Company	
	Note	2019 £	2018 £	2019 £	2018 £
Trade debtors		919,841	852,816	-	-
Amounts owed by group undertakings		1,075,269	110,438	1,075,269	110,438
Other debtors		189,382	87,432	-	-
Prepayments		<u>1,451,167</u>	<u>1,808,753</u>	<u>-</u>	<u>-</u>
		<u>3,635,659</u>	<u>2,859,439</u>	<u>1,075,269</u>	<u>110,438</u>

15 Cash and cash equivalents

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Cash at bank	<u>1,386,963</u>	<u>251,253</u>	<u>-</u>	<u>-</u>

16 Creditors

		Group		Company	
	Note	2019 £	2018 £	2019 £	2018 £
Due within one year					
Obligations under finance leases	19	642,691	1,329,841	-	-
Trade creditors		1,035,563	885,400	-	-
Amounts owed to group undertakings		1,075,269	110,438	1,086,332	87,088
Social security and other taxes		160,924	119,633	-	-
Other payables		100	155,598	100	32,598
Accruals		89,112	91,521	1,900	1,850
Corporation tax liability	10	<u>243,508</u>	<u>70,103</u>	<u>-</u>	<u>-</u>
		<u>3,247,167</u>	<u>2,762,534</u>	<u>1,088,332</u>	<u>121,536</u>
Due after one year					
Obligations under finance leases	19	<u>5,138,604</u>	<u>5,064,551</u>	<u>-</u>	<u>-</u>

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £29,003 (2018 - £16,953).

18 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>45,102</u>	<u>45,102</u>	<u>45,102</u>	<u>45,102</u>

19 Loans and borrowings

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Non-current loans and borrowings				
Finance lease liabilities	<u>5,138,604</u>	<u>5,064,551</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Current loans and borrowings				
Finance lease liabilities	<u>642,691</u>	<u>1,329,841</u>	<u>-</u>	<u>-</u>

Group

Included in the loans and borrowings are the following amounts due after more than five years:

	2019 £	2018 £
After more than five years by instalments	3,749,019	662,921

Borrowings due after five years

Amounts due in over five years relate to a hire purchase agreement repayable in quarterly instalments of £118,750 with an annual interest rate of 9.42%. This hire purchase agreement was fully settled in December 2019 and replaced by an intercompany loan repayable in instalments over the next 15 years, see note 22.

Bio Collectors Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2019

20 Obligations under leases and hire purchase contracts

Group

Finance leases

Lease liabilities are secured against the relevant leased plant and equipment assets as the rights to these assets will revert to the lessor in the event of default. There are no uncommon lease arrangements in regards to these agreements.

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	642,691	1,329,841
Later than one year and not later than five years	1,389,585	4,401,630
Later than five years	<u>3,749,019</u>	<u>662,921</u>
	<u>5,781,295</u>	<u>6,394,392</u>

21 Dividends

Dividends paid

	2019	2018
	£	£
Dividends paid of £3.32 (2018: £5.06) per each Ordinary shares	<u>150,000</u>	<u>228,000</u>

22 Parent and ultimate parent undertaking

The ultimate controlling party is P Killoughery, who owned 95% of the share capital of Bio Collectors Holdings Limited. On 13 December 2019 70% of the share capital of Bio Collectors Holdings Limited was purchased by Jlen Environmental Assets Group (Uk) Ltd.

23 Non adjusting events after the financial period

On 13 December 2019 70% of the share capital of Bio Collectors Holdings Limited was purchased by Jlen Environmental Assets Group (Uk) Ltd, incorporated in England and Wales.

After the year end, a creditor balance of approximately £4m was settled. This was enabled via an intercompany loan of the same value.