

**MIDDLEMARCH ENVIRONMENTAL LIMITED**  
**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

AMENDING

FRIDAY



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04/01/2008  
COMPANIES HOUSE

**THOMAS**  
**+ YOUNG**

# Middlemarch Environmental Limited

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# **Middlemarch Environmental Limited**

## **DIRECTORS AND OFFICERS**

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### **DIRECTORS**

E P Collins (Chairman)  
P Hunter  
S Drew - Resigned 31 July 2006  
Mrs S Drew - Resigned 31 July 2006  
P M Fermor  
R M Gledson  
P H Jarvis  
D I Smith  
A Tasker  
B P Whittington

### **SECRETARY**

P H Jarvis

### **REGISTERED OFFICE**

Brandon Marsh Nature Centre  
Brandon Lane  
Coventry  
Warwickshire  
CV3 3GW

### **AUDITORS**

Thomas & Young LLP  
Chartered Accountants  
240-244 Stratford Road  
Shirley  
Solihull  
B90 3AE

## **Middlemarch Environmental Limited**

### **DIRECTORS' REPORT**

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The directors submit their report and the financial statements of Middlemarch Environmental Limited for the year ended 31 December 2006

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is to provide ecological consultancy services for clients throughout the UK

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

In 2006 the company continued its sustained growth, with turnover reaching just short of £2 Million (£1 934M, 2005 £1 676M) Profits again increased (to £316K, 2005 £254K) and cash-flow remained positive, providing significant financial support for the parent charity Warwickshire Wildlife Charity. During the year the Board approved a new strategy for the company's development, involving a new web-based project management system and full-time Operations Manager to support staff, including some working remotely. The chronic national shortage of senior ecological consultants continues to provide a challenge that we hope to overcome in 2007

The company's benefit to its parent charity is not just financial. However, its work in providing ecological advice and expertise delivers a range of biodiversity benefits throughout the UK. In Kent, our continuing partnership with Land Securities and links to Kent Wildlife Trust are helping secure both site and species benefits at the Thames Gateway project. In the Midlands, our role as a preferred supplier to Severn Trent Water has led to a close working relationship and support for many of their engineering developments. In Dorset, a requirement to provide a replacement road bridge in an area protected by a raft of national and international designations called for particular care with survey, liaison and site supervision.

During the year a comprehensive review of Health and Safety led to a new system being developed.

The company can report that the external audits for the Quality Management Standards ISO9001 continues to improve.

#### **DIVIDENDS**

No dividends will be paid.

#### **DIRECTORS**

The directors listed on page 1 have served during the year to 31 December 2006 and to date.

P H Jarvis holds one share as nominee for Warwickshire Wildlife Trust Ltd. No other director holds any shares in the company.

The directors hold no shares in the company's parent undertaking, Warwickshire Wildlife Trust Ltd.

#### **THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS**

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company donated £279,304 (2005 £242,572) to Warwickshire Wildlife Trust Ltd during the year.

## Middlemarch Environmental Limited

### DIRECTORS' REPORT (CONTINUED)

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#### AUDITORS

During the year Thomas & Young LLP were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the board



P H JARVIS  
Director

30 October, 2007

**Middlemarch Environmental Limited**  
**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF**  
**FINANCIAL STATEMENTS**

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Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

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

By order of the board



P H JARVIS  
Director

31 AUGUST 2007

**Middlemarch Environmental Limited**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MIDDLEMARCH ENVIRONMENTAL LIMITED**

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We have audited the financial statements of Middlemarch Environmental Limited for the year ended 31 December 2006 set out on pages 7 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the director's report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities, in circumstances set out in note 17 to the financial statements.

**Middlemarch Environmental Limited**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MIDDLEMARCH ENVIRONMENTAL LIMITED (CONTINUED)**

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**Opinion**

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements

Thomas & Young LLP

**Thomas & Young LLP**

Chartered Accountants  
**Registered Auditor**

30 September 2007

240-244 Stratford Road  
Shirley  
Solihull  
West Midlands  
B90 3AE



**Middlemarch Environmental Limited**  
**PROFIT AND LOSS ACCOUNT**  
**AS AT 31 DECEMBER 2006**

	<i>Notes</i>	<b>2006</b> £	<b>2005</b> as restated £
<b>TURNOVER</b>		1,934,606	1,676,677
Cost of sales		(289,610)	(290,097)
Gross profit		1,644,996	1,386,580
Other operating expenses	1	1,325,048	(1,135,433)
<b>OPERATING PROFIT</b>		319,948	251,147
Investment income	2	4,459	3,115
		324,407	254,262
Interest payable	3	-	(114)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	324,407	254,148
Taxation	6	(8,100)	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		316,307	254,148
Donations under gift aid	7	(279,304)	(242,572)
<b>RETAINED PROFIT FOR THE YEAR</b>	12	37,003	11,576

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

**Middlemarch Environmental Limited**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

	<i>Notes</i>	2006 £	2005 £ as restated
<b>FIXED ASSETS</b>			
Tangible assets	8	18,728	15,157
<b>CURRENT ASSETS</b>			
Debtors	9	402,299	330,851
Cash at bank and in hand		483,045	306,892
		885,344	637,743
<b>CREDITORS</b>			
Amounts falling due within one year	10	(634,877)	(420,708)
<b>NET CURRENT ASSETS</b>		250,467	217,035
<b>NET ASSETS</b>		269,195	232,192
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	269,095	232,092
<b>SHAREHOLDERS' FUND</b>	13	269,195	232,192

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the board on 31 August 2007 and signed on its behalf by

E. P. G.

E P Collins  
Chairman

# **Middlemarch Environmental Limited**

## **ACCOUNTING POLICIES**

### **FOR THE YEAR ENDED 31 DECEMBER 2006**

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#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

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#### **TANGIBLE FIXED ASSETS**

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor vehicles	over 3 years
Equipment	over 5 to 7 years
Computer equipment	over 2 years

#### **DEFERRED TAXATION**

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

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

#### **LEASED ASSETS AND OBLIGATIONS**

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

#### **RESEARCH AND DEVELOPMENT**

Expenditure on research and development incurred in the year is charged against profit.

#### **RETIREMENT BENEFITS**

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits 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 in the balance sheet.

#### **TURNOVER**

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

**Middlemarch Environmental Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

<b>1. OTHER OPERATING EXPENSES</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Administration expenses	1,325,048	1,135,433
<b>2. INVESTMENT INCOME</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Interest receivable	4,459	3,115
<b>3 INTEREST PAYABLE</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
On other loans	-	-
Finance leases	-	114
	-	114
<b>4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Profit on ordinary activities before taxation is stated after charging		
Depreciation and amounts written off tangible fixed assets		
Charge for the year		
owned assets	12,044	16,473
leased assets	-	1,754
Loss on disposals	(2,451)	100
Operating lease rentals		
Lands and buildings	29,227	28,292
Auditors' remuneration	2,250	2,900
Research and development costs	-	21,114
<b>5. EMPLOYEES</b>	<b>2006</b> <b>Number</b>	<b>2005</b> <b>Number</b>
The average monthly number of persons (including directors) employed by the company during the year was		
Office and management	32	24
Staff costs for the above persons	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Wages and salaries	974,474	779,531
Social security costs	106,502	96,753
Other pension costs	17,579	14,629
	1,098,555	890,913

**Middlemarch Environmental Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

**5. EMPLOYEES (Continued )**

**DIRECTORS' REMUNERATION**

	2006 £	2005 £
Emoluments including benefits in kind	328,629	294,750

The number of directors for whom retirement benefits are accruing under money purchase schemes, amounts to 3 (2005: 3)

**6. TAXATION**

	2006 £	2005 £
UK corporation tax on profits of period	8,100	-

**7. GIFT AID PAYMENT**

	2006 £	2005 £
Gift aid payment to Warwickshire Wildlife Trust Ltd		
- paid during the year	94,732	83,834
- to be paid after year end	184,572	158,738
	279,304	242,572

**8. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Equipment £	Total £
<b>Cost:</b>			
1 January 2006	37,738	22,581	60,319
Additions	17,965	-	17,965
Disposals	(17,971)	-	(17,971)
31 December 2006	37,732	22,581	60,313
<b>Depreciation</b>			
1 January 2006	26,220	18,942	45,162
Charged in the year	9,561	2,483	12,044
Disposals	(15,621)	-	(15,621)
31 December 2006	20,160	21,425	41,585
<b>Net book value</b>			
31 December 2006	17,572	1,156	18,728
31 December 2005	11,518	3,639	15,157

**Middlemarch Environmental Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

<b>9. DEBTORS</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Trade debtors	383,568	307,819
Amounts owed by parent undertaking	-	-
Prepayments and accrued income	18,731	23,032
	<u>402,299</u>	<u>330,851</u>
<b>10. CREDITORS: Amounts falling due within one year</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Trade creditors	47,831	33,806
Amounts owed to parent undertaking	78,843	4,768
Other taxation and social security costs	143,149	49,240
Accruals	365,054	332,894
	<u>634,877</u>	<u>420,708</u>
<b>11. SHARE CAPITAL</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>12. PROFIT AND LOSS ACCOUNT</b>	<b>2006</b> <b>£</b>	
Balance at 1 January 2006, as previously reported	248,656	
Prior year adjustment	(16,564)	
Balance at 1 January 2006, as previously reported	232,092	
Profit for the year	37,003	
Balance at 31 December 2006	<u>269,095</u>	
<b>13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
Profit for the financial year	37,003	11,576
Opening shareholders' funds	<u>232,192</u>	<u>220,616</u>
Closing shareholders' funds	<u>269,195</u>	<u>232,192</u>

**Middlemarch Environmental Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

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**14. GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2007

	2006	2005
Lands and buildings		
Expiring between two and five years	31,880	-
Expiring after five years	-	28,292
	<u>31,880</u>	<u>28,292</u>

**15. RELATED PARTY TRANSACTIONS**

A Tasker is a director of Priority People Limited from whom the company made purchases of £998 (2005 £5,160) during the year. At the year end £NIL (2005 £Nil) was payable to Priority People Limited.

The company has taken advantage of the exemption not to disclose any transactions with its parent undertaking conferred by financial Reporting Standard No 8 on the grounds that the company's results are included in the consolidated financial statements of Warwickshire Wildlife Trust Ltd.

**16. ULTIMATE PARENT UNDERTAKING**

Middlemarch Environmental Limited is a wholly owned subsidiary of Warwickshire Wildlife Trust Ltd, a company incorporated in England and Wales.

**17. AUDITORS ETHICAL STANDARDS**

In common with many businesses of our size and nature, we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

In common with many other businesses of our size and nature, we use our auditors to provide tax advice and to represent us, as necessary, at tax tribunals.

**Middlemarch Environmental Limited**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006		2005	
	£	£	£	£
<b>SALES</b>		1,934,606		1,676,677
<b>COST OF SALES</b>				
Purchases		(289,610)		(290,097)
<b>GROSS PROFIT</b>		1,644,996		1,386,580
Bank interest received		4,459		3,115
		1,649,455		1,389,695
<b>OVERHEADS</b>				
Directors' remuneration	311,993		294,750	
Staff costs	786,562		568,023	
Research and development – staff costs	-		28,140	
Training costs	6,872		16,656	
Motoring and travelling expenses	57,315		55,319	
Equipment repairs	3,476		5,755	
Postage, stationery and telephone	46,767		39,272	
Insurances	19,113		18,568	
Rent, rates, light and heat	34,832		32,832	
Marketing costs	15,518		9,488	
Bank charges	978		588	
Legal and professional fees	1,110		-	
Hire purchase interest	-		114	
Bad debts	28,669		44,816	
Auditors remuneration	2,250		2,900	
Depreciation	12,044		18,226	
(Surplus)/Loss on sale of fixed assets	(2,451)	(1,325,048)	100	(1,135,547)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>324,407</u>		<u>254,148</u>

This page does not form part of the audited financial statements