
TALLEY ENVIRONMENTAL CARE LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

TALLEY ENVIRONMENTAL CARE LIMITED

COMPANY INFORMATION

Directors	G. Brierley J. Evans C. Evans K. Mearns M. Webb (resigned 7 May 2020) R. Thornton D. Kettlewell (appointed 7 May 2020)
Company secretary	M. Webb
Registered number	06185725
Registered office	Gordleton Industrial Estate Hannah Way Lymington Hampshire SO41 8JD
Accountants	WMT Chartered Accountants Verulam Point Station Way St Albans Hertfordshire AL1 5HE

TALLEY ENVIRONMENTAL CARE LIMITED

CONTENTS

	Page
Balance Sheet	1 - 2
Statement of Changes in Equity	3
Notes to the Financial Statements	4 - 14

TALLEY ENVIRONMENTAL CARE LIMITED
REGISTERED NUMBER: 06185725

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	163,598	187,324
		163,598	187,324
Current assets			
Stocks		141,717	102,061
Debtors: amounts falling due within one year	7	281,558	128,530
Cash at bank and in hand		187,773	170,616
		611,048	401,207
Creditors: amounts falling due within one year	8	(436,035)	(163,796)
Net current assets		175,013	237,411
Total assets less current liabilities		338,611	424,735
Net assets		338,611	424,735
Capital and reserves			
Called up share capital		100	100
Profit and loss account		338,511	424,635
		338,611	424,735

TALLEY ENVIRONMENTAL CARE LIMITED
REGISTERED NUMBER: 06185725

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

C. Evans
Director

Date: 9 December 2020

The notes on pages 4 to 14 form part of these financial statements.

TALLEY ENVIRONMENTAL CARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	100	(1,004,343)	(1,004,243)
Comprehensive income for the year			
Profit for the year	-	1,428,978	1,428,978
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,428,978	1,428,978
	<hr/>	<hr/>	<hr/>
At 1 January 2019	100	424,635	424,735
Comprehensive income for the year			
Loss for the year	-	(86,124)	(86,124)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(86,124)	(86,124)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	<u>100</u>	<u>338,511</u>	<u>338,611</u>

The notes on pages 4 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Talley Environmental Care Limited is a company limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors are confident that the related party Talley Group Limited will continue to provide the necessary funds and support to the Company. However there can be no certainty in these matters. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of funding facilities.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings - leasehold	- over the period of the lease or 10% straight line
Plant and machinery	- 10% straight line
Fixtures and fittings	- 15% or 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Stocks

Stocks are stated at the lower of cost and the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates.

TALLEY ENVIRONMENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2018 - 10).

5. Taxation

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods	-	(119,196)
	-	(119,196)
Total current tax	-	(119,196)
Deferred tax		
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	-	(119,196)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(86,124)</u>	<u>1,309,782</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	-	248,859
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	234	4,556
Capital allowances for year in excess of depreciation	1,488	4,254
Other permanent differences	-	76
Adjustments to tax charge in respect of prior periods	-	(119,196)
Non-taxable income	-	(327,394)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(16,493)
Unrelieved tax losses carried forward	-	192,418
Deferred tax not recognised	-	(111,309)
Other differences leading to an increase (decrease) in the tax charge	(1,722)	5,033
Total tax charge for the year	<u>-</u>	<u>(119,196)</u>

Factors that may affect future tax charges

The company has estimated losses of £958,236 (2018: £902,810) available for carry forward against future trading profits.

TALLEY ENVIRONMENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Office equipment £	Computer equipment £
Cost or valuation					
At 1 January 2019	244,500	228,900	47,641	42,785	26,098
Additions	1,023	26,257	-	-	-
Disposals	-	(19,163)	-	-	-
At 31 December 2019	245,523	235,994	47,641	42,785	26,098
Depreciation					
At 1 January 2019	206,962	99,572	44,828	25,959	25,279
Charge for the year on owned assets	16,670	23,450	1,530	6,418	416
Charge for the year on financed assets	-	1,081	-	-	-
Disposals	-	(17,722)	-	-	-
At 31 December 2019	223,632	106,381	46,358	32,377	25,695
Net book value					
At 31 December 2019	21,891	129,613	1,283	10,408	403
At 31 December 2018	37,538	129,328	2,813	16,826	819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 January 2019	589,924
Additions	27,280
Disposals	(19,163)
	<hr/>
At 31 December 2019	598,041
	<hr/>
Depreciation	
At 1 January 2019	402,600
Charge for the year on owned assets	48,484
Charge for the year on financed assets	1,081
Disposals	(17,722)
	<hr/>
At 31 December 2019	434,443
	<hr/>
Net book value	
At 31 December 2019	<u>163,598</u>
At 31 December 2018	<u>187,324</u>

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	21,891	37,538
	<hr/>	<hr/>
	<u>21,891</u>	<u>37,538</u>

7. Debtors

	2019 £	2018 £
Trade debtors	236,066	45,809
Other debtors	2,454	41,085

TALLEY ENVIRONMENTAL CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Debtors (continued)

Prepayments and accrued income	43,038	41,636
	<u>281,558</u>	<u>128,530</u>

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Bank overdrafts	166,773	-
Trade creditors	54,622	30,104
Other taxation and social security	11,014	2,511
Obligations under finance lease and hire purchase contracts	15,032	27,917
Other creditors	140,978	60,922
Accruals and deferred income	47,616	42,342
	<u>436,035</u>	<u>163,796</u>

Bank loans and overdrafts are secured with a fixed and floating charge over all property and assets, present and future.

Net obligations under finance leases are secured over the hire purchase assets.

A multilateral guarantee for the bank overdraft exists between Talley Group Limited and the Company.

TALLEY ENVIRONMENTAL CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at amortised cost	256,066	69,761
Financial assets measured at fair value through profit or loss	187,773	170,616
	<u>443,839</u>	<u>240,377</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>362,492</u>	<u>117,707</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise of finance lease liabilities, trade creditors and other creditors.

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £7,949 (2018: £806). Contributions totalling £146 (2018: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

11. Related party transactions

Talley Group Limited is a related party due to common ownership. During the year the Company made sales of £239,885 (2018: £118,953) to Talley Group Limited. The Company also purchased goods and services from Talley Group Limited amounting to £6,347 (2018: £6,829). Talley Environmental Care Limited charged a management fee of £Nil to Talley Group Limited in the year (2018: £Nil).

The balance owed to Talley Group Limited by the Company at the year end was £115,051 (2018: £57,175). Talley Environmental Care Limited was charged interest in the year of £Nil (2018: £24,600) with respect to the loan.

Aspire Technology Group Limited is the parent company of Talley Environmental Care Limited. The balance owed to Aspire Technology Group Limited by the Company at the year end was £22,522 (2018: £Nil). Talley Environmental Care Limited was charged a royalty of £22,522 to Aspire Technology Group Limited in the year (2018: £Nil).

The Highcliffe Trust is a related party due to common control. During the year the Company rented premises from The Highcliffe Trust amounting to £120,000 (2018: £120,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Post balance sheet events

Since the balance sheet date, the COVID-19 (coronavirus) pandemic has had an increasingly significant effect on individuals, businesses and organisations worldwide, including Talley Environmental Care Limited. The outbreak came into widespread public knowledge in 2020. In accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland and as confirmed by the Financial Reporting Council, the emergence of coronavirus is a non-adjusting post balance sheet event for any entity with a year end of 31 December 2019 or earlier, so this is applicable to Talley Environmental Care Limited. Therefore, assets and liabilities should not be adjusted for any potential impact of the pandemic unless the impact is so significant that the Company is no longer a going concern.

The Directors have considered the effect on the value of the assets and liabilities of the Company since the balance sheet date, as well as actual and expected future income and expenditure, cash flow requirements and the Company's ability to continue as a going concern. They have taken steps to protect the workforce and the business, including its cash flow, so as to be able to maintain liquidity given that the effects of the current crisis are likely to last for several months.

The directors consider that given the product that this company has developed is of direct benefit to other businesses in their response to COVID-19, and as such the company has not been adversely affected by the pandemic and is trading strongly in the post year period, that the company is a going concern and no adjustment have been made to the figures in these financial statements in respect of events since the balance sheet date.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.