

Company Registration No. 02767285 (England and Wales)

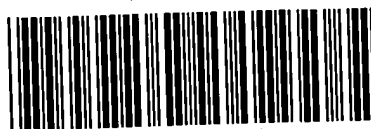
ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

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ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

BALANCE SHEET

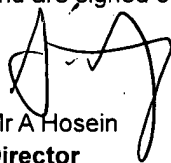
AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		333,067		527,406
Tangible assets	4		557,175		621,131
Current assets					
Stocks		715,500		1,026,431	
Debtors	5	2,211,353		2,515,385	
Cash at bank and in hand		95,940		262,094	
		<u>3,022,793</u>		<u>3,803,910</u>	
Creditors: amounts falling due within one year	6	<u>(2,590,088)</u>		<u>(3,238,434)</u>	
Net current assets			432,705		565,476
Total assets less current liabilities			<u>1,322,947</u>		<u>1,714,013</u>
Creditors: amounts falling due after more than one year	7		(615,289)		(717,513)
Net assets			<u>707,658</u>		<u>996,500</u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss reserves			706,658		995,500
Total equity			<u>707,658</u>		<u>996,500</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 2 October 2018 and are signed on its behalf by:


Mr A Hosein
Director

Company Registration No. 02767285

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Environmental Business Products Limited is a private company limited by shares incorporated in England and Wales. The registered office is 26 Chase Road, London, NW10 6BB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

These accounts have been prepared on a going concern basis which the directors believe is appropriate as, despite the reduction in sales and the loss in the year, the company is now in a stable position going forward.

During the year ended 31 March 2018 there was a small decrease in sales, by £343k. However the general decline in the industry associated with high costs, amortisation of R&D marketing and other expenses relating to the production and promotion of 3D Printers resulted in an overall loss of £288k. After the year end the position remains similar. Despite the above losses the Company continued to maintain a positive working capital of £432k at the year end and a small fluctuation during the early part of the new financial year.

The directors recognise the importance of improving profitability and liquidity. They are focusing on maintaining the existing customers and expanding the customer base, and also taking steps to reduce overheads. The Company is actively promoting the new 3D printing technologies and the directors are confident that the related increase in sales and profitability that the company is experiencing after the accounting year end will continue.

Based on the company's forecasts and projections and having taken account of reasonable changes in trading activity the company is expected to have adequate resources to continue trading in operational existence in the foreseeable future.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Sales are recognised on dispatch of goods.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.4 Research and development expenditure

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure which is separately identifiable is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and amortised once the development is complete over the period during which the company is expected to benefit.

Development expenditure	20% Straight line
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1.5 Tangible fixed assets

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

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

Short leasehold properties	Straight line over the term of the lease
Plant and machinery	25% Straight line
Fixtures & fittings	25% Straight line
Motor vehicles	25% Straight line
Office equipment and software	33% Straight line

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Raw materials - cost of purchase, including direct costs, on first in first out basis.

Finished goods - cost of raw materials, average labour cost and packaging.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade debtors are assessed for impairment at the end of each reporting period and amounts impaired are deducted and charged to the Profit and Loss Account.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised costs using the effective interest method unless the effect of discounting would be immaterial in which case they are stated at cost.

Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of borrowings together with any interest and fees payable, using the effective interest method.

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit and loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for foreign exchange derivatives.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences timing differences can be deducted.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 119 (2017 - 132).

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Intangible fixed assets

	Other £
Cost	
At 1 April 2017 and 31 March 2018	946,386
Amortisation and impairment	
At 1 April 2017	418,980
Amortisation charged for the year	194,339
At 31 March 2018	613,319
Carrying amount	
At 31 March 2018	333,067
At 31 March 2017	527,406

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2017	823,151	1,291,603	2,114,754
Additions	-	13,942	13,942
Disposals	-	(182,690)	(182,690)
At 31 March 2018	823,151	1,122,855	1,946,006
Depreciation and impairment			
At 1 April 2017	258,524	1,235,097	1,493,621
Depreciation charged in the year	42,368	35,532	77,900
Eliminated in respect of disposals	-	(182,690)	(182,690)
At 31 March 2018	300,892	1,087,939	1,388,831
Carrying amount			
At 31 March 2018	522,259	34,916	557,175
At 31 March 2017	564,626	56,505	621,131

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	1,327,798	1,390,279
Corporation tax recoverable	251,283	694,559
Amounts due from group undertakings	108,698	108,698
Other debtors	523,574	321,849
	<u>2,211,353</u>	<u>2,515,385</u>

6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	652,460	979,325
Trade creditors	961,513	1,196,574
Amounts due to group undertakings	288,061	147,830
Other taxation and social security	72,018	330,892
Other creditors	616,036	583,813
	<u>2,590,088</u>	<u>3,238,434</u>

Amounts due in respect of invoice discounting are disclosed as current liabilities. The company can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade receivables remains with the company.

Based on an agreement with Lloyds Bank Plc, there is an omnibus guarantee and set off agreement between the bank, Zoso Limited, Environmental Business Products Limited and EBP Group Limited, EBP Group Holdings Ltd, together with an unlimited debenture from Zoso Limited, Environmental Business Products Limited, EBP Group Limited and EBP Group Holdings Limited.

On 25 March 2015, all assets debenture was given by the company in favour of Lloyds Bank Commercial Finance Limited. On the same day EBP Group Limited and Zoso Limited entered into a guarantee and indemnity with Lloyds Bank Commercial Finance Limited in respect of Environmental Business Products Limited's invoice discounting obligations.

7 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts due to group undertakings	<u>615,289</u>	<u>717,513</u>

Creditors due after one year include the amount of £615,289 (2017 - £717,513) owed to EBP Group Holding limited, the Ultimate parent company.

Payable by instalments over 10 years with effect from 15 December 2018 and the interest is payable at the rate of 4% per annum on outstanding balance from 14 December 2017.

ENVIRONMENTAL BUSINESS PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Creditors: amounts falling due after more than one year (Continued)

Creditors which fall due after five years are as follows:	2018 £	2017 £
Payable by instalments	(318,896)	(398,618)

8 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was signed on 02/10/2018 and was unqualified.

The senior statutory auditor was Chris Pieri.

The auditor was Kallis & Partners.

10 Operating lease commitments

Lessee

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

	2018 £	2017 £
	6,240,000	6,760,000