Symphony environmental

Making plastic smarter

Symphony Environmental Technologies plc
Annual Report & Accounts 2014

Symphony Environmental Technologies plc, operates globally and specialises in developing and marketing a wide range of innovative plastic products and other environmental technologies.

In particular:

- Symphony is the world leader in Controlled-life Plastic and sells both pro-degradant additives and finished plastic products. Our d_2w additive is the only technology of this type to be awarded an Eco-Label, distinguishing it from all other oxo-biodegradable products on the market.
- Symphony has developed a range of anti-bacterial and anti-fungal additives, trademarked d_2p – "designed to protect" which can be incorporated into almost any kind of plastic, to protect against contamination.
- Symphony has developed systems, trademarked d_2t, to provide a unique identity to almost any kind of product, to guard against counterfeiting.
- Symphony has developed an odour adsorber technology for plastic products.
- Symphony's products are marketed through a network of distributors serving nearly 100 countries worldwide.

BUSINESS REVIEW

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

A MULTI-BILLION DOLLAR AND GROWING

d_2w and d_2p products and additives are sold worldwide either directly to customers or, increasingly, through a growing network of authorised Distributors and Agents.

Playing safe
Wader of Poland were the first children's toy manufacturer to include our d_2p anti-bacterial plastic technology in toys.

Not bringing home more than you bargained for...
Symphony launched a bag4life made with our d_2p anti-bacterial technology.

Combining technologies
Garbage sacks containing oxo-biodegradable AND anti-bacterial technologies.

Sweet smell of success
Our new Odour Adsorber inhibits the development of odour in plastic products.

Baby steps
2014 saw the highly successful launch of a range of baby products containing d_2p.

MARKET...

300 MILLION TONNES

OF PLASTIC IS PRODUCED GLOBALLY

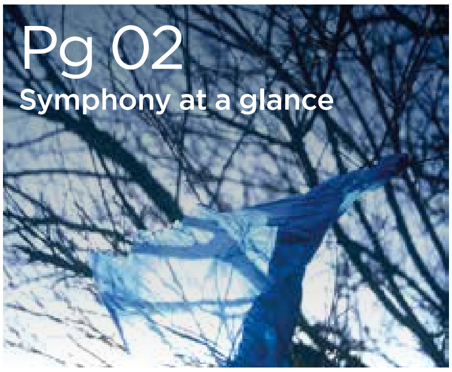
7%

OF PLASTIC IS RECYCLED IN THE EU

- 300 million tonnes of polymer products are produced in the world every year.
- Conventional plastics can take many decades to break down.
- A limited amount is recycled.
- Extensive tests by Roediger laboratories have concluded that plastic products made with oxo-biodegradable technology may be recycled without any significant detriment to the newly formed recycled product. (Report – May 2012 & December 2013).
- In an LCA (life cycle assessment) performed by Intertek (Report – May 2012) the d_2w plastic performed better than any other material for making shopping bags.
- Antibiotic resistance is a growing problem worldwide, with anti-microbial plastics predicted to be one of the fastest growing sectors in the industry.

Highlights 2014

- Revenues decreased 12% to £6.35 million (2013: £7.19 million)
- Gross profit decreased 11% to £3.16 million (2013: £3.55 million)
- Operating loss reduced by 63% to £0.27 million (2013: loss £0.73 million, including £0.57 million non-recurring expenditure)
- Loss after tax reduced by 56% to £0.31 million (2013: loss £0.71 million)
- R&D costs included in loss, £0.41 million (2013: £0.55 million)
- Plastics Sales and R&D Division EBITDA profit £0.08 million (2013: profit £0.22 million)
- Recycling Technologies Division EBITDA loss £0.20 million (2013: loss £0.81 million)
- Basic loss per share reduced by 58% to 0.23p (2013: loss per share 0.55p)
- Cash used in operations reduced by 88% to £0.10 million (2013: £0.81 million)
- Directors' shareholding increased to 24.9% (2013: 19.5%)
- £1.58 million raised in equity placing on 17 November 2014
- Awarded ABNT Eco-Label in January 2015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Symphony at a glance


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Chief Executive's review


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For more information on our products

For more information visit:
www.symphonyenvironmental.com

www.
symphonyenvironmental.
com/corporate

FROM A ONE PRODUCT COMPANY TO A BROAD TECHNOLOGIES GROUP

Symphony is an international company, reaching every corner of the globe. We have a growing number of distributors giving us a presence in nearly 100 countries worldwide.

PRODUCT INFORMATION

OVERVIEW

d$_2$w is a masterbatch system which, when included in the manufacturing stage turns ordinary plastic at the end of its useful life into a material with a different molecular structure. At that stage it is no longer a plastic and has become a material which is inherently biodegradable in the open environment in the same way as a leaf.

www.symphonyenvironmental.com/degradable/d2w-controlledlife-plastic/what-is-d2w/

See pages 08–09

OVERVIEW

d$_2$p is a masterbatch system with a family of products that provides protection from fungi, bacteria, odours and insects, amongst others . The active ingredients in d$_2$p anti-microbial products have been successfully tested against over 50 common organisms and dangerous bacteria, such as MRSA, E.coli, Salmonella, Listeria, Pseudomonas and Aspergillus Niger.

www.symphonyenvironmental.com/files/uploaded/environmental/d2p%20ab.pdf

www.symphonyenvironmental.com/files/uploaded/environmental/d2p%20af.pdf

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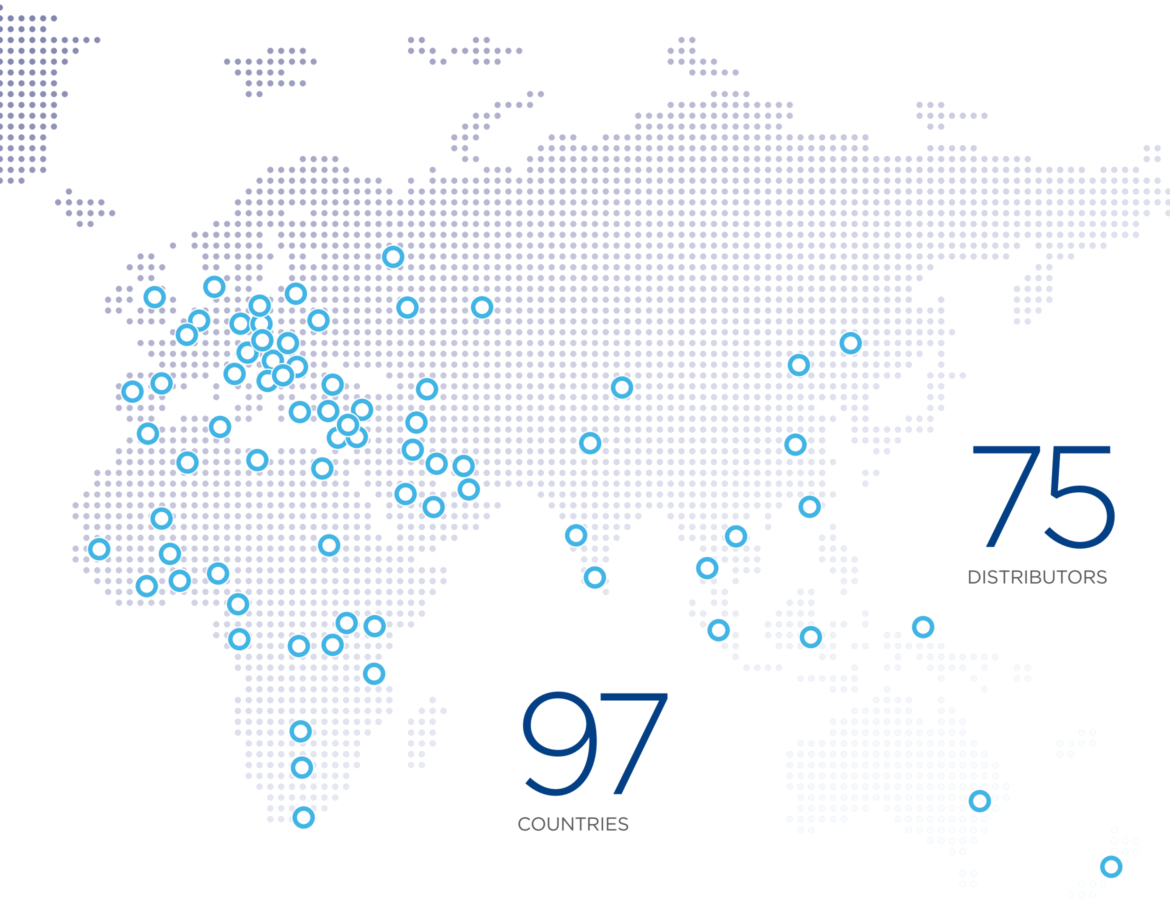

d_2w PRODUCTS

- Food packets
- Bubble wrap
- Cling film
- Carrier bags
- Frozen food packaging
- Garbage sacks/ Bin liners
- Gloves and aprons
- Newspaper and magazine wrappers
- Bottles, tubs and cups
- Shrink wrap and pallet wrap

d_2p PRODUCTS

- Agriculture
- Clothing and accessories
- Credit/debit cards
- Electronic devices
- Home: roofing, wall cladding and decking, tubing, piping, bed pans
- Pet food packaging
- Refuse sacks and long-life carrier bags
- Sanitary: toilet seats, shower heads, shower curtains, hand dryers, toothbrush handles
- Sports: ski boots, bowling shoes, insoles
- Transportation: car interiors, tube, train, plane
- Cutting/chopping boards
- Flexible food packaging
- Food containers
- Fridges
- Kitchen worktop coating
- Kitchen utensils
- Table cloths
- Water coolers

OVERVIEW

d_2t is a suite of technologies that provide anti-counterfeiting performance. They offer the ability to determine the authenticity of your plastic packaging and other plastic products through a unique and sophisticated tracer system. d_2t complements Symphony's portable d_2Dectector device.

See page 11

OVERVIEW

The d_2Detector is a portable XRF (X-ray) device that allows customers, and the authorities in countries with relevant legislation, to determine in less than 60 seconds whether or not a plastic product contains d_2w, d_2p or d_2t additives as specified, and whether it contains any undesirable substances.

www.youtube.com/watch?v=jTIQRGZnrgg

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Chairman's statement
Nirj Deva, DL, FRSA, MEP

I am pleased to report a 63% reduction in the operating loss from £0.73 million in 2013 to £0.27 million in 2014. The loss in 2013 included £0.57 million of non-recurring expenditure (2014: £nil). Cash used in operations reduced by 88% to just £0.10 million in 2014 from £0.81 million in 2013.

IDENTIFYING GROWTH OPPORTUNITY

World's first d_2p bag 4 life.

The balance sheet was strengthened in the final quarter after an equity placing raised £1.58 million in November 2014.

Group revenues reduced by 12% from £7.19 million in 2013 to £6.35 million in 2014. Revenues are mainly derived from d_2w masterbatch sales, and these had been affected by timing issues in a number of markets. As previously reported, legislative momentum in favour of d_2w type products continues in several countries. Whilst there have been delays in implementation and enforcement of the legislation in certain jurisdictions, our local distributors have recently noticed material progress in this area. However, the Board remains cautious over the timing of sales in these locations.

Oxo-biodegradables are now seriously debated in the world's largest markets including the European Union where they are trying to resolve the problems of waste minimisation and reducing plastic litter. The need for change is more apparent than before and oxo-biodegradables are in the right space at the right time. We were pleased that in March 2015, Symphony's Chief Executive, Michael Laurier, was a speaker at the International Conference on the marine environment at the United Nations.

We remain optimistic about our product positioning and are particularly pleased with certain external recognitions thereof, such as the recent award to Symphony of the prestigious ABNT Eco-Label. ABNT is accredited by INMETRO for certification of products, and INMETRO is a member of the International Accreditation Forum. The criteria for awarding an Eco-Label are to preserve environment quality and minimise pollution caused by production, use and disposal of products and services.

Significant development work was undertaken during the year for both of our two main technologies, such costs totalling £0.41 million in the year (2013: £0.55 million). In addition, a new high-tech R&D facility was opened in May 2014 by our local mayor at our Head Office in Borehamwood, UK. We choose to make these significant investments in R&D as we see potential future demand for a broadened technology range.

Our d_2p "designed to protect" range has now increased to six product lines encompassing many different formulations including anti-microbial, odour adsorbing and insect repellent. Trials continue in many countries on end-products including toys, cutting boards, water pipes, tooth brushes, bags-for-life and gloves amongst many others. Some of these developments are with global multi-billion pound organisations.

Trials and evaluations for both d_2w and d_2p products can take many years, especially with larger organisations. These are sometimes complex processes involving many departments and many personnel within the end-user including purchasing, marketing, technical, and product development. We have a large pipeline which ages from over two years to current covering many types of organisation in countries throughout our whole global distribution network, with a number of trials close to decision time.

However, due to the number of complexities involved in the final decision, whilst the projects are progressing well, the Board again remains cautious on timing of any sales from such trials and evaluations.

In December 2014 Shaun Robinson was appointed to the Board of Symphony, and we are already grateful for his contribution to date. The Board is also pleased to have such strong commitment and support from Somerston Capital who participated in the placing in November 2014. This commitment to the business was reciprocated by Michael Laurier, with his purchase of an additional 750,000 shares at the time of the placing. With Shaun Robinson as a Board Director, the Directors' have a beneficial interest in 24.9% of the Company's ordinary shares (2013: 19.5%).

I would like to thank the Board, the staff, and our Distributors for all their work in 2014, and we look forward to 2015 with confidence.

N Deva DL FRSA MEP
Chairman
10 April 2015

Key Opportunities

- Global business in nearly 100 countries.
- In a multi-billion dollar market – 300 million tonnes of polymer produced annually.
- Market set to grow at 4.4% per annum until 2020.
- Anti-microbials predicted to be one of the fastest growing sectors.
- Increasing legislation in favour of oxo-biodegradable plastic.
- Huge potential in developing economies particularly Asia-pacific and Africa.
- Continuing investment in R&D.

Chief Executive's review
Michael Laurier

Much has been achieved in 2014 in the further development of our technologies, and product range. New IP formulations have been created, and major trials following signed agreements continue with some of the world's largest companies.

Michael Laurier was a guest speaker at the recent 'One Ocean, Science for Sanctuaries Symposium' held at the United Nations in New York.

The commercial objectives have been clearly defined within each project and trial. The potential value, if only some of these trials succeed, is considerable. As a result, we have continued to invest resources into each project.

Commercially for d_2w, we have seen several countries either taking steps to enforce legislation or to pass new legislation in favour of oxo-biodegradable plastic technology. This is an unknown process so it has been difficult to predict timing or value, and as such, no material financial effect occurred in the year under review.

For d_2p, there is strong commercial interest to buy our technology, and small orders are now starting to be placed. We have continued to develop and process new formulations, conduct trials, and seek regulatory approvals in the countries and products that require these approvals. The d_2p development has been significant since our formulations have expanded beyond polymer master-batch into active powders and liquids.

The Group's pre-tax loss for the year reduced to £0.39 million from £0.78 million in 2013. Within these losses, R&D expenditure of £0.41 million (2013: £0.55 million) was expensed in the statement of comprehensive income.

Trading results

Group revenue decreased by 12% to £6.35 million (2013: £7.19 million), but Group gross profit margins increased slightly to 49.8% from 49.3% in 2013. The contribution from gross profit was £3.16 million (2013: £3.55 million).

Recurring administrative expenses decreased by 8% to £3.26 million (2013: £3.53 million) due to the effect of savings implemented during 2013. Non-recurring administrative expense of £0.57 million were incurred in 2013 but there were no non-recurring items in 2014.

Including non-recurring items, the Group made an operating loss of £0.27 million in 2014 compared to an operating loss of £0.73 million in 2013. This resulted in loss before tax of £0.39 million in 2014 (2013: loss £0.78 million).

Excluding non-recurring items, the Group made an EBITDA loss of £0.14 million in 2014 (2013: loss £0.01 million) with an operating loss of £0.27 million (2013: loss £0.16 million).

The Group reports a loss for the year of £0.31 million (2013: loss £0.71 million) with basic loss per share of 0.23 pence (2013: loss per share 0.55 pence).

Development costs of £0.26 million were capitalised in 2014 (2013: £0.12 million), and the net book value of capitalised development costs at the end of the year amounted to £1.13 million. Further development expenditure of £0.41 million (2013: £0.55 million) was expensed directly to the statement of comprehensive income. Capitalised development costs represent 8% of expenses as detailed above. Within the total amount of £1.13 million capitalised to date less amortisation and impairment, £0.16 million relates to d_2w products which have been developed and are being sold, while the balance of £0.97 million, relates to further environmental plastic applications still in development and where we believe significant revenues will be generated in the foreseeable future.

The Group's primary selling currency is the US Dollar. The Group self-hedges where possible by purchasing in US Dollars and has banking facilities in place in order to secure rates going forward. As at 31 December 2014 the Group had a net balance of US Dollar assets totalling $0.64 million (2013: $0.56 million).

Segmental analysis

The Group operates two business divisions being the Plastics Division (Symphony Environmental Limited or "SEL") and the

Recycling Technologies division (Symphony Recycling Limited or "SRT"). Within SEL there are two operating segments; "Plastics Sales" which generate and maintain revenues relating to plastic additives, masterbatches and finished products, and "Plastics R&D" which includes all new product development and research expenditure.

Plastics Sales, which represent all Group sales, generated an EBITDA profit £0.49 million (2013: £0.78 million). Plastics R&D incurred an EBITDA loss of £0.41 million (2013: £0.55 million).

SRT has no revenues to date and incurred expenditure of £0.22 million in the year, resulting in an EBITDA loss of the same amount (2013 expenditure and EBITDA loss: £0.81 million). As previously stated, the Board's strategy is to commercialise SRT. We have reduced costs and are still investigating areas where this can be achieved.

Cash flow

The Group used cash of £0.10 million from operations (2013: cash used £0.81 million). The Group has a £1 million trade finance facility with HSBC Bank plc of which £0.15 million was drawn down as at 31 December 2014 (2013: £0.58 million). The invoice-finance facility increased in line with receivables. In addition to these facilities, the Group had borrowed a further £0.65 million through unsecured loans. These loans were repaid in January 2015.

The Group had net cash in the bank of £0.59 million at the year-end (2013: £0.03 million), plus trade receivables of £1.27 million (2013: £1.16 million) and continues to work comfortably within its facilities.

Outlook

A positive trend clearly shows a strategy that is working across several key business drivers. The first being new legislation in support of oxo-biodegradable technology like d_2w. The second is the enforcement and widening of the scope of existing legislation. The third is a gentle domino effect from the legislation together with a growing momentum of companies that want to upgrade their sustainability credentials without supply disruption or increased cost.

The Group has seen an increase in d_2w activity in the current year where there is legislation in place and indications of a strengthening position later in the year.

There is a similar positive trend for the growing range of d_2p products. Many of our global distributors have shown serious interest by requesting trials and product evaluations. As stated above, there have been some orders to date, the volumes so far being small as expected. The new d_2p bag4life, medical products, toys, food and non-food containers, and industrial packaging applications, are all areas where we expect substantial sales activity in the medium term.

I am confident that our strategy will continue to work in a world that needs both of our main technologies d_2w and d_2p. Plastic pollution, health and food protection are, and will remain important concerns in today's society.

Our expectations for 2015 and beyond are to deliver positive and meaningful growth.

Michael Laurier
Chief Executive
10 April 2015

DELIVERING AGAINST OUR STRATEGY

Our strategy is to deliver sustained revenue growth, improve and extend our product range and increase visibility and awareness of the Company and its achievements over the forthcoming year.

MARKETS

- We will continue to encourage legislation in favour of oxo-biodegradable plastic.
- We will create value for end users and brand owners.
- We will increase and defend our brand values.
- We will strengthen our global distribution network.

INVESTMENT

- We will make continuous investment in research and development.
- We will extend and improve our product range.

Products
d_2w controlled-life technology

The only biodegradable plastic additive to be awarded an Eco-Label.

Garbage sacks containing d_2w and d_2p.

Plastic is lightweight, flexible, strong, durable, heat sealable, impervious to moisture, recyclable, reusable, but whether by intent or accident, some plastic will always find its way into the environment on land and sea.

PLASTIC IS FANTASTIC

Plastic is an amazing invention. There is nothing like it for protecting our food and other goods from damage and contamination and for carrying them home from the shops. It is waterproof, strong and flexible, can be adapted for a variety of products and is not expensive.

Every year 300 million tonnes of plastic polymer are produced globally. Unfortunately much of it ends up as litter either in landfill (if it can be collected) or causing a visual intrusion, blocking water courses, polluting the oceans and endangering wildlife. The very property that makes plastic fantastic, namely its durability, is also the reason that it is such an environmental nuisance after its useful life. Old-fashioned plastic can last for decades.

d_2w INNOVATIVE PLASTIC IS THE ANSWER TO PLASTIC WASTE IN THE ENVIRONMENT

What do we do with all the plastic waste that cannot realistically be collected? d_2w is the answer to plastic waste that escapes collection and ends up in the open environment. Unlike ordinary plastic the life of a product made with d_2w can be pre-determined at manufacture, typically six months for a bread bag and 18 months for a lightweight shopper bag.

At the end of the useful life the plastic will degrade in the presence of oxygen until it is no longer a plastic and has become a material that will biodegrade in the open environment, eventually being bio-assimilated in the same way as a leaf – only quicker and leaving no toxic residues.

d$_2$w plastic can be made in existing polymer factories using existing machinery and workforce at little or no extra cost.

CAN BE RECYCLED WITH CONVENTIONAL PLASTIC

Better still, if it gets collected it can be recycled with conventional plastic, a fact confirmed by Roediger Laboratories, in May 2012 who concluded that plastic products made with d$_2$w can be recycled without any significant detriment to the newly formed recycled product.

THE CARBON VALUE

Studies have demonstrated that one of the benefits of d$_2$w oxo-biodegradable technology is that the carbon content of the plastic is ultimately shared with living organisms in the environment. Studies have also shown that the carbon based organic materials developed by the degradation mechanism are biodegradable and therefore absorbed by living organisms in the soil. (Biodegradation Tests of Oxo-biodegradable Polyolefins by Means of Single Microbial Species, University of Pisa 2009).

This is not the case with conventional plastic that holds the carbon for many decades nor (vegetable-based) hydro-degradable plastics that release the carbon rapidly as CO_2 gas.

d$_2$w has been tested for food-contact safety according to the requirements of the European Union Directive 2002/72/EC, and the Food and Drug Administration Code of the United States, Chapter 21. Furthermore a study carried out by Intertek in 2012 into the life cycle of shopping bags concluded that the environmental credentials of bags made with oxo-biodegradable plastic technology were ahead of bio-based and conventional plastic bags.

Many countries are committed to using plastic products because at the present time there is nothing as low cost, flexible and efficient to replace them. Oxo-biodegradable plastic offers a sensible solution to plastic waste in the environment, a fact recognised by the United Arab Emirates who along with eight other countries have made this technology mandatory. They knew they could not collect all the plastic for recycling, so they decided to do something about it.

All of this adds up to substantial positive PR for customers, being a practical demonstration of their concern for environment and their commitment to sustainability.

With millions of tonnes of plastic used around the world, there is an urgent need to deal with the issues of disposal and pollution.

QUALIDADE-ABNT-AMBIENTAL
PE-308

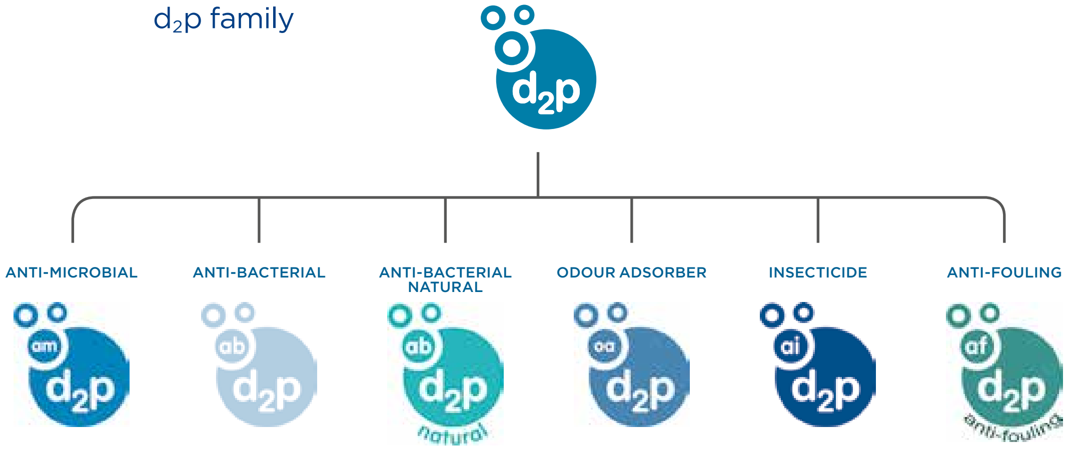
THE WORLD'S ONLY ECO-LABEL

Symphony's d$_2$w additive has been certified by ABNT (the Brazilian Association of Technical Standards) and has been awarded a coveted Eco-Label. It is the only oxo-biodegradable additive to qualify for an Eco-Label, and confirms the environmental credentials of the d$_2$w additive, distinguishing it from all other oxo-biodegradable products on the market.

Products

Anti-bacterial and anti-fungal technologies. Designed to protect.

d$_2$p family



Our Ethylene adsorber (EA) can prevent spoilage of perishable fruit, vegetables and flowers.

d$_2$p ANTI-MICROBIAL

The primary purpose for d$_2$p anti-microbial is to prevent bacterial and fungal contamination, whilst preserving the aesthetic and functional properties of the plastic article. It can be used in a wide spectrum of applications from water and irrigation pipes to cladding, paint, decking and greenhouse film. It is also used in clothing and sportswear, wet suits, lab coats, face masks, trainers and ski boots as well as garbage sacks and long-life carrier bags.

The active ingredient in d$_2$p (am) is registered for use as an anti-microbial with the US Environmental Protection Agency (EPA) and notified under the EU's biocidal products Regulation (BPR-EU-no. 428/2012).

d$_2$p ANTI-BACTERIAL

d$_2$p has been tested again over 50 common organisms including dangerous bacteria such as MRSA, E.coli, Salmonella, Listeria, Pseudomonas and Aspergillus Niger. There is almost no limit to the number of uses for d$_2$p anti-bacterial. In fact, anything that is made of plastic or has a plastic coating could have d$_2$p incorporated at manufacture.

This technology will inhibit the growth of bacteria in calculators, sports clothing, food processing equipment and a host of other applications.

d$_2$p ANTI-BACTERIAL NATURAL

d$_2$p natural is a unique direct food-contact, broad spectrum anti-bacterial with action against Gram-positive and Gram-negative bacteria. It is based on natural oil extracts from plants, dried and powdered.

Symphony has developed suitable masterbatch applications for Polyolefins, Styrenics, Polyamides, PVC, Polycarbonate and Polyesters and it can be used in both food and non-food applications to fight healthcare and food industry infections.

d$_2$p ODOUR ADSORBER

A relative newcomer to the d$_2$p range of additives, our odour adsorber can be used in powder form or incorporated into plastic masterbatch. The product can also be used in packaging in a sachet.

It inhibits the development of odour in plastic products and packaging and is suitable for conversion by all plastic processing technologies.

The active ingredient used in our odour adsorber is a naturally occurring substance recognised as a food additive by both EFSA and the US FDA, and therefore the product can be incorporated into food packaging.

Our Ethylene Adsorber (EA) can prevent spoilage of perishable fruit, vegetables and flowers.

d$_2$p INSECTICIDE

Insecticidal plastic masterbatches are used to control pests in agriculture, horticulture, forestry, home and golf course applications. It can be formulated with a variety of insecticides into numerous products and flexible plastic films including banana bags and long-lasting insecticidal mosquito nets.

d$_2$p ANTI-FOULING

Anti-fouling is used to control and reduce the growth of fouling organisms on vessels and other structures based in water. These fouling organisms can include barnacles and mussels. The growth of these organisms on the hull of a vessel minimises its operating efficiency and harms the environment through higher fuel consumption and emissions.

The active ingredient in Symphony's anti-fouling product has been approved by the European Commission for use in coating formulations under the Biocidal Products Regulation (BPR) "Product 21".

CASE STUDY

Baby products made with d_2p anti-bacterial additive

No matter how thoroughly plastic items are cleaned, even using the harsh detergents available today, scratches and crevices that appear on the surface during use, harbour germs.

Maltex in Poland manufacture a range of baby products made with Symphony's d_2p anti-bacterial additive, which is added to the plastic during manufacture to create a surface hostile to bacteria, and give extra protection.

These innovative products are produced in Poland and include anti-bacterial chamber pots, toilet trainer seats, bath tubs, bath seats and nappy pails in white, pink and blue. What's more, they are already winning fans among parents in Poland according to Poland's first parenting magazine "Mamo to ja" (Mom, it's me) and beating competing products from well-known manufacturers.

d_2p technology has been tested to ISO 22196 and JIS Z2801 to demonstrate that it is effective against over 50 dangerous organisms including E.coli, Pseudomonas, Aspergillus Niger and Salmonella.

d_2t Tag and Trace – Anti-counterfeiting technologies

d_2t is a range of anti-counterfeiting systems including a tracer masterbatch that gives plastic items unique traceable properties which can be identified using Symphony's portable device, the d_2Detector.

By using the detector it is possible to tell instantly if a product is fake and provides brand owners with the reassurance that their products can be identified as genuine.

For high value items Symphony offers a sophisticated electronic tagging system.

Global Network and Technical Services

Symphony has its Head Office at Borehamwood, near London, where we have a laboratory for scientific testing, research and product development.

Our new laboratory was formally opened in May 2014 by the Mayor.

We are a global company with a presence in almost all parts of the world. We have developed and maintain successful distributors and sub-distributors worldwide, and we continue to grow our business.

We work with our network to build relationships in their countries with suppliers, manufacturers, end users, and NGOs. We also regularly host a conference/training event to share ideas and inform our distributors about new developments and products. Our last conference saw 48 distributors coming from Europe, South America, South Africa, Japan, Asia, Middle East, Far East, New Zealand and the USA.

Our team of scientists, technicians, and account managers have vast experience in the industry and maintain close relationships with research institutes, universities and test centres around the world to continually improve and develop our products.

We offer unique quality-control systems, unmatched by other biodegradable additive suppliers, including free testing with written reports covering product-performance measurements and characteristics. Our masterbatches are manufactured in specialist factories which are audited and certified by our technical department. We have test facilities in several locations around the world to ensure continuity of supply and to minimise our environmental footprint.

All products containing our additives are manufactured in accordance with our manufacturing instructions and technical data sheets, and then rigorously tested in our laboratories before commercial production commences.

We give free technical support to manufacturers using Symphony's masterbatches and our specialist engineers will travel to their factories if necessary.

Not only can our customers rely on outstanding technical and after-sales support, but we also advise on production, processing, manufacturing and materials as well as public relations and marketing. In fact we make it our business to support their business.

Corporate social responsibility

For Symphony, as an environmental technology company, sustainable development is an important matter. This means that we combine long-term economic objectives with social responsibility and environmental protection.

We strongly believe in the benefits of the technologies we offer and have established goals that the Company and its people are trying to achieve daily. We understand that in today's world it is difficult to be a responsible individual let alone a responsible business, and even more difficult to implement change towards a better future. It is therefore essential to establish best practices, support innovation and individual ambitions, and strengthen relationships with our partners and communities around the world.

At Symphony we believe that our long-term future and profitability depend not only on our environmental, technical and social performance, but also our willingness to go above and beyond the necessary. In practice this means that we strive for excellence in operational performance and support for our customers, shareholders and staff.

Symphony is accredited to the environmental standard ISO 14001, and to ISO 9001 for Quality Management. We are committed to low-energy lighting, and equipping our offices and laboratories with environmentally-friendly supplies. We also promote paperless administration and work on the best practice document-management systems. We are committed to recycling of materials following the "reduce, reuse and recycle" principles and strive to be the best that we can be.

Wherever possible we utilise electronic communication and have established a global supply chain to minimise the impact of transporting supplies around the world.

"We are dedicated to helping create a sustainable future by finding low cost solutions to the world's environmental problems."

We provide a nurturing business environment and regularly support students with work placements in all aspects of our business (in both the technical and administrative teams). We encourage our employees and distributors to continuously develop their knowledge and skills base by providing regular conferences, technical information and training opportunities.

We are dedicated to helping create a sustainable future by finding low cost solutions to the world's environmental problems.

PARTNERING FOR CHANGE

Symphony is proud to be a leader in advanced technologies that add to a sustainable future. We are open and we always welcome collaboration with our suppliers, customers, communities, governments and civil society. We build relations and partnerships with academic institutions, governments, NGOs and industry associations.

Board of Directors

1. Nirj Deva, DL, FRSA, MEP
Chairman of the Board

BACKGROUND AND EXPERIENCE

Mr. Deva has been a Member of the European Parliament since 1999 and is Vice-chairman of the Parliament's International Development Committee. He is also Chairman of the EU-China Friendship Group. From 1992-97 he was a member of the UK Parliament. He has held a number of senior political appointments and has advised the boards of a number of public companies including International Leisure Group, Air Europe Plc, Tricentrol Oil Co Plc, EDS, Television South West, Thomas Howell Group, John Laing Plc, Aitken Spence, and Rothmans International Plc.

2. Michael Stephen, LL.M
Deputy Chairman

BACKGROUND AND EXPERIENCE

Michael Stephen is Commercial Director and Deputy Chairman of the Plc, and Chairman of its subsidiary companies. He qualified as a Solicitor with Distinction in Company Law. He was called to the Bar, and practised from chambers in London for many years, dealing with civil cases in the High Court and Court of Appeal. He was a member of the UK Parliament 1992-97 and was a member of the Trade and Industry Select Committee and the Environment Select Committee of the House of Commons.

3. Michael Laurier
Chief Executive Officer

BACKGROUND AND EXPERIENCE

Michael is the Chief Executive of the Company. Michael's career began with his long established family packaging business, Brentwood Sack and Bag Co Limited. He took over responsibility for sales and production in the mid -1970s and changed the emphasis of the company's business from jute products to polythene packaging, introducing the then innovative high density and medium density polythene bags into the UK market in 1975. He co-founded Symphony Plastics in 1995.

4. Ian Bristow, FCCA
Finance Director and Company Secretary

BACKGROUND AND EXPERIENCE

Ian was in private practice for seven years, qualifying as a certified accountant in 1992. In 1994, he joined Brentapac UK Plc until it was sold in 1994. He went on to co-found Symphony Plastics in 1995.

5. Michael Stephens
Technical Director

BACKGROUND AND EXPERIENCE

Michael began his career with Excelsior Plastics Limited, a division of Unigate, progressing over a period of ten years to sales director. Leaving in 1981, he worked for Sempol Products, Autobar Group and ACP Plastics (a subsidiary of S P Metal Group), all manufacturers of packaging films. In 1988, Michael founded Skymark Packaging International Limited, serving the snack food, bakery, mail wrap, paper disposable markets, which he left in November 1997 to join Symphony.

6. Nicolas Clavel
Non-Executive Director

BACKGROUND AND EXPERIENCE

Nicolas Clavel started his career in international banking in the mid seventies and his area of expertise has been structured trade finance and equity investments with a particular focus on Emerging Markets. He is Chief Investment Officer of Scipion Capital Ltd., (the Investment Manager of Scipion African Opportunities Fund SPC) and is personally CF 1, 3, 11 and CF30 approved by the UK Financial Services Authority. Nicolas is Swiss, and is based in London and Geneva.

7. Shaun Robinson
Non-Executive Director

BACKGROUND AND EXPERIENCE

Shaun Robinson has nearly 20 years corporate finance, restructuring and active asset management experience, focusing on operational real estate with key specialities in hotels and healthcare. A chartered certified accountant, Shaun Robinson joined the Somerston Group in 2004 and is responsible for the groups' business development, M&A and tax/corporate structuring. Shaun is also executive director of Richmount Management Limited, Somerston Health, Somerston Hotels and St James's Hotels.

Strategic Report

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The primary business activities of the Group are the development and supply of environmental plastic products to a global market, and the development of waste to value projects. The Group also supplies other flexible polythene and related products.

A review of the business is given in the Chairman's Statement on pages 04 and 05 together with the Chief Executive's Review on pages 06 and 07. Future developments are summarised in the Outlook section of the Chief Executive's Review on page 07.

KEY PERFORMANCE INDICATORS

The Directors have monitored the progress of the overall Group strategy by reference to certain financial and non-financial key performance indicators.

Key performance indicator	2014	2013	Method of calculation
Sales d_2w (£'000)	**6,352**	7,190	Sales revenue solely of d_2w additives and products.
Gross profit margin (%)	**50%**	49%	The ratio of gross profit to sales.
Number of distributors	**77**	76	The number of distribution agreements signed.

These are discussed within the Chairman's Statement and the Trading Results section of the Chief Executive's Review.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have identified and continually monitor the principal risks and uncertainties of the Group. These may change over time as new risks emerge and others cease to be of concern. The principal risks of the Group are detailed below.

FOREIGN EXCHANGE RISK

The Group sells products in many countries and so generates revenues in US Dollars and Euros. Foreign exchange rates fluctuate and, as such, assets created in foreign currencies are liable to constant revaluations into their Sterling equivalent. The Group mitigates this risk by purchasing, where practicable, in currencies to match revenues. The Group also has exchange facilities with its bank to use as and when appropriate.

COMPETITION RISK

The Group faces competition from suppliers of similar products which could affect revenues and/or gross margins. The Group mitigates this risk by employing a large number of distributors globally who can concentrate on any competition issues within their market, and also by differentiating the Group's products by branding and marketing activities.

RAW MATERIAL PRICING AND AVAILABILITY

The Group uses commodity and speciality materials in the make-up of its products. There is a risk of price volatility and material availability. The Group mitigates this risk by using more than one supplier of its products and continually researching separate supply alternatives for the materials used.

BY ORDER OF THE BOARD

I Bristow
Company Secretary
10 April 2015

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements.

The loss for the year after taxation amounted to £305,000 (2013: loss £707,000).

The Directors have not recommended a dividend.

RESEARCH AND DEVELOPMENT

The Group is involved in the research and development of environmental plastic products, and waste to value systems.

THE DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and their interests in the shares of the Company are shown in the Remuneration Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The parent Company's own financial statements continue to be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

> select suitable accounting policies and then apply them consistently;

> make judgements and accounting estimates that are reasonable and prudent;

> state whether applicable IFRSs or 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.

The Directors confirm that:

> so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

> the Directors 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 auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GOING CONCERN

Management have prepared a cash flow forecast for the ensuing twelve months from the approval of the financial statements where a forecast increase in sales will lead to increased cash through the use of the invoice discounting facility. Operating results for the start of 2015 have been in line with these forecasts. The Group has continued to make significant investment into new product development and anticipates sales growth from the launch of some of these products in the forthcoming year. Having reviewed the cash flow forecasts and the available headroom within existing facilities the Directors believe that the Group has sufficient cash resources to meet debt obligations as they fall due. For these reasons, the Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

CORPORATE GOVERNANCE

The Group is committed to developing and adhering to high standards of corporate governance. As an AIM listed company, Symphony Environmental Technologies plc is not required to and does not apply the UK Corporate Governance Code as issued by the UK's Listing Authority, however, it seeks to follow the principles of good governance as far as management believes it is practical for a Group of its size, nature and circumstances.

FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policies are detailed in note 3 to the financial statements.

AUDITOR

A resolution to appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

I Bristow
Company Secretary
10 April 2015

Remuneration Report

DIRECTORS' EMOLUMENTS

	Basic salary or fees £'000	Benefits £'000	Pension £'000	**2014 Total Emoluments £'000**	2013 Total Emoluments £'000
N Deva	36	–	–	**36**	42
M Laurier	200	10	50	**260**	259
I Bristow	155	6	15	**176**	175
M Stephen	171	12	–	**183**	181
M F Stephens	171	14	–	**185**	183
N Clavel	29	–	–	**29**	31
S Robinson (appointed 19 December 2014)	1	–	–	**1**	–
	763	42	65	**870**	871

The Directors' pensions, where applicable, are administered by those Directors.

The Company has taken out insurance for its officers against liabilities in relation to the Company under Section 233 of the Companies Act 2006.

DIRECTORS' INTERESTS

The Directors in office at the end of the year, together with their beneficial interests in the shares of the Company, were as follows:

Ordinary Shares of £0.01 each	**At 31 December 2014**	At 1 January 2014
N Deva	**313,925**	313,925
M Laurier	**22,802,317**	22,052,317
I Bristow	**1,063,925**	1,063,925
M Stephen	**782,998**	782,998
M F Stephens	**311,294**	311,294
N Clavel	**500,000**	500,000
S Robinson	**10,203,938**	–

SHARE OPTIONS AND WARRANTS

The Directors have share options and warrants, or interests in share options and warrants as follows:

	Number of share options or warrants	Exercise price (pence per share)	Exercisable from	Exercisable to
N Deva	1,500,000	4.500	26 November 2008	26 November 2018
N Deva	250,000	9.875	18 December 2010	18 December 2019
M Laurier	1,851,500	4.500	26 November 2008	26 November 2018
M Laurier	350,000	9.125	31 March 2010	30 March 2020
I Bristow	3,000,000	4.500	26 November 2008	26 November 2018
I Bristow	280,000	9.125	31 March 2010	30 March 2020
M Stephen	1,200,000	6.250	28 April 2007	28 April 2017
M Stephen	2,000,000	4.500	26 November 2008	26 November 2018
M Stephen	210,000	9.125	31 March 2010	30 March 2020
M F Stephens	210,000	9.125	31 March 2010	30 March 2020
N Clavel	500,000	4.500	16 October 2009	16 October 2018
N Clavel	250,000	9.875	18 December 2010	18 December 2019
S Robinson	893,110	15.000	14 November 2014	14 November 2017

The above share options and warrants are HM Revenue and Customs unapproved. See note 18 to the financial statements for the terms of the above options and warrants.

Independent Auditor's Report

to the members of Symphony Environmental Technologies plc

We have audited the financial statements of Symphony Environmental Technologies plc for the year ended 31 December 2014 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, the parent Company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2014 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

SEPARATE OPINION IN RELATION TO IFRSS AS ISSUED BY THE IASB

As explained in note 2 to the Group financial statements, the Group, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

Giles M Mullins
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes
10 April 2015

BUSINESS REVIEW
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Consolidated Statement of Comprehensive Income

for the year ended 31 December 2014

	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Revenue	5		**6,352**		7,190
Cost of sales			**(3,191)**		(3,644)
Gross profit			**3,161**		3,546
Distribution costs			**(165)**		(179)
Administrative expenses – recurring	6	**(3,261)**		(3,526)	
Administrative expenses – non-recurring	6	**–**		(570)	
Administrative expenses	6		**(3,261)**		(4,096)
Operating loss – recurring		**(265)**		(159)	
Operating loss – non-recurring		**–**		(570)	
Operating loss	6		**(265)**		(729)
Finance income	8		**1**		5
Finance costs	8		**(126)**		(54)
Loss for the year before tax			**(390)**		(778)
Taxation	9		**85**		71
Loss for the year			**(305)**		(707)
Total comprehensive income for the year			**(305)**		(707)
Basic loss per share	10		**(0.23)p**		(0.55)p
Diluted loss per share	10		**(0.23)p**		(0.55)p

All results are attributable to the parent Company equity holders. There were no discontinued operations for either of the above periods.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2014

Company number 3676824

	Note	2014 £'000	2013 £'000
Assets			
Non-current			
Property, plant and equipment	11	**372**	394
Intangible assets	12	**1,169**	937
Deferred income tax asset	9a	**1,142**	1,142
		2,683	2,473
Current			
Inventories	15	**576**	528
Trade and other receivables	16	**1,425**	1,366
Cash and cash equivalents	17	**938**	130
		2,939	2,024
Total assets		**5,622**	4,497
Equity			
Equity attributable to shareholders of Symphony Environmental Technologies plc			
Ordinary shares	18	**1,446**	1,281
Share premium	18	**3,077**	1,650
Retained earnings	18	**(807)**	(502)
Total equity		**3,716**	2,429
Liabilities			
Non-current			
Interest bearing loans and borrowings	20	**-**	3
		-	3
Current			
Interest bearing loans and borrowings	20	**1,153**	1,339
Trade and other payables	19	**753**	726
		1,906	2,065
Total liabilities		**1,906**	2,068
Total equity and liabilities		**5,622**	4,497

These financial statements were approved by the Board of Directors on 10 April 2015 and authorised for issue on 10 April 2015. They were signed on its behalf by:

I Bristow FCCA
Finance Director

The accompanying notes form an integral part of these financial statements.

BUSINESS REVIEW
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Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

Equity attributable to the equity holders of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the year to 31 December 2014				
Balance at 1 January 2014	**1,281**	**1,650**	**(502)**	**2,429**
Issue of share capital	**165**	**1,427**	**–**	**1,592**
Transactions with owners	**165**	**1,427**	**–**	**1,592**
Loss and total comprehensive income for the year	**–**	**–**	**(305)**	**(305)**
Balance at 31 December 2014	**1,446**	**3,077**	**(807)**	**3,716**
For the year to 31 December 2013				
Balance at 1 January 2013	1,280	1,648	205	3,133
Issue of share capital	1	2	–	3
Transactions with owners	1	2	–	3
Loss and total comprehensive income for the year	–	–	(707)	(707)
Balance at 31 December 2013	1,281	1,650	(502)	2,429

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Operating activities			
Net cash used in operations	21	**(180)**	(955)
Tax received		**85**	145
Net cash used in operating activities		**(95)**	(810)
Investing activities			
Additions to property, plant and equipment		**(77)**	(21)
Proceeds from disposals of property, plant and equipment		**–**	7
Additions to intangible assets		**(261)**	(126)
Net cash used in investing activities		**(338)**	(140)
Financing activities			
New loans		**–**	650
Movement in working capital facility		**(432)**	359
Discharge of finance lease liability		**(9)**	(18)
Proceeds from share issue		**1,592**	3
Interest paid		**(126)**	(54)
Net cash generated in financial activities		**1,025**	940
Net change in cash and cash equivalents		**592**	(10)
Cash and cash equivalents, beginning of year		**29**	57
Foreign exchange provision loss		**(36)**	(18)
Cash and cash equivalents, end of year		**585**	29

The reconciliation to the cash and cash equivalents as reported in the statement of financial position is as follows:

	Note	2014 £'000	2013 £'000
Loans and receivables:			
Cash at bank and in hand	17	**938**	130
Financial liabilities measured at amortised cost:			
Bank overdraft	20	**(353)**	(101)
Cash and cash equivalents, end of year		**585**	29

The accompanying notes form an integral part of these financial statements.

1 General information

Symphony Environmental Technologies plc ("the Company") and subsidiaries (together "the Group") develop and supply environmental plastic additives and products, and develop waste to value systems.

The Company, a public limited company, is the Group's ultimate parent Company. It is incorporated and domiciled in England (Company number 3676824). The address of its registered office is 6 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD, England. The Company's shares are listed on the AIM market of the London Stock Exchange and as a level 1 ADR in New York.

2 Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union and also as issued by the International Accounting Standards Board (IASB).

The accounting policies have remained unchanged from the previous year.

Going concern

Management have prepared a cash flow forecast for the ensuing twelve months from the approval of the financial statements where a forecast increase in sales will lead to increased cash through the use of the invoice discounting facility. Operating results for the start of 2015 have been in line with these forecasts. The Group has continued to make significant investment into new product development and anticipates sales growth from the launch of some of these products in the forthcoming year. Having reviewed the cash flow forecasts and the available headroom within existing facilities the Directors believe that the Group has sufficient cash resources to meet debt obligations as they fall due. For these reasons, the Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Business combinations completed prior to date of transition to IFRS

The Group has not restated business combinations which took place prior to the date of transition to IFRS.

Accordingly, the classification of the combination remains unchanged from that used under UK GAAP. The assets and liabilities are recognised at date of transition, and are measured using their United Kingdom Generally Accepted Accounting Practice (GAAP) carrying amount.

Business combinations exemption

The Group financial statements consolidate the financial statements of the Company and all subsidiary undertakings.

The acquisition of Symphony Environmental Limited (formerly Symphony Plastics Limited) on 9 December 1999 was accounted for under merger accounting under UK GAAP and has been treated in this manner under IFRS as the business combination exemption has been adopted in these Annual Report and Accounts. The merger accounting method requires assets and liabilities to not be adjusted to fair value and the results of the subsidiary to be included as if it had always been part of the Group. Therefore, the results of the Group include both the results pre and post-acquisition.

Segment reporting

The segmental profile for the Group has been adjusted to show a fairer position for the revenue generating side of the Plastics business and separately, the investments in Plastics R&D. There are currently three operating segments.

"Plastics Sales" generate and maintain revenues relating to plastic additives, masterbatches and finished products. "Plastics R&D" includes all new product development and research expenditure.

The "Recycling Technologies" segment includes all activities involved in the development of tyre and rubber recycling systems.

Each of the operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segments transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements. Corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Segment information is presented in accordance with IFRS 8 for all periods presented. IFRS 8 only requires disclosure of segment information.

Revenue

Degradable and non-degradable goods, and associated products (plastics segment)

Revenue is stated at the fair value of the consideration receivable and excludes VAT and trade discounts.

The Group's revenue is from sale of goods. Revenue from the sale of goods is recognised when all of the following conditions have been satisfied:

a) ownership of the significant risks and rewards has been transferred to the buyer. This may be based upon shipment or delivery depending upon specific contractual terms, whereby the Group relies on INCOTERMs (a series of pre-defined commercial terms published by the International Chamber of Commerce) to assess this;
b) the amount of revenue can be measured effectively whereby the Group sells goods after receipt of confirmed orders;
c) it is probable that the economic benefits associated with the transaction will flow to the entity; and
d) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Non-recurring items

Expenditure is classified as non-recurring where the cost is considered to be material, one-off, and will not continue in future.

Intangible assets

Research and development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:
- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. The nature of the Group's activities in the field of development work renders some internally generated intangible assets unable to meet the above criteria at present.

Amortisation commences upon completion of the asset and is shown within administrative expenses and is included at the following rate:

Plastic masterbatches and other additives – 15 years straight line.

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date.

Trademarks

Trademarks represent the cost of registration and are carried at cost less amortisation.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trademarks – 10 years straight line.

2 Summary of significant accounting policies continued

Property, plant and equipment
Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	– 20% reducing balance.
Fixtures and fittings	– 25% reducing balance.
Fixtures and fittings Elstree Gate	– 10% straight line.
Motor vehicles	– 20% reducing balance.
Office equipment	– 25% straight line.

The residual value and useful economic lives are reconsidered annually.

Impairment testing of intangible assets and property, plant and equipment
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on the basis of purchase value on a first-in first-out basis.

Leased assets
In accordance with International Accounting Standard (IAS) 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to profit or loss on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Pension costs
The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

Taxation
Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, except where they either relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity, or where they relate to items charged or credited in other comprehensive income the deferred tax change is recognised in other comprehensive income.

Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Financial assets
Financial assets are divided into the following categories: loans and receivables, and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs.

The Group currently has the following financial assets:

Trade receivables
Trade receivables are categorised as loans and receivables. Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in profit or loss.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets are the equity investments in Symphony Bin Hilal LLC, American Plastic Technologies LLC and Oxobioplast Inc.

The equity investments in Symphony Bin Hilal LLC, American Plastic Technologies LLC and Oxobioplast Inc. are measured at cost less any impairment charges, as their fair values cannot currently be estimated reliably. Impairment charges are recognised in profit or loss.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Finance lease receivables
Goods sold under finance leases are recognised as a sale on date of the finance lease agreement or if later, when substantially all the risks and rewards of ownership of the asset have passed to the lessee. The capital element of future lessee obligations is included in assets in the statement of financial position.

The interest elements of the rental obligations are credited to profit and loss over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals receivable under operating leases are credited to profit and loss on a straight line basis over the lease term.

Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial liabilities include trade payables, other payables, bank overdraft, bank loans and other loans. These are classified as financial liabilities measured at amortised cost.

2 Summary of significant accounting policies continued
Financial liabilities measured at amortised cost are initially recognised at fair values net of direct issue costs.

Finance charges are charged to profit and loss, where applicable, on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arose.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Equity-settled share-based payments
All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2007 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of the instrument granted are determined using the Black-Scholes model. This fair value is appraised at the grant date. The fair value is charged to profit and loss between the date of issue and the date the share options vest with a corresponding credit taken to equity.

Equity
Equity comprises the following:
- "Share capital" represents the nominal value of equity shares;
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue; and
- "Retained earnings" represents non distributed reserves.

Standards and interpretations in issue but not yet effective
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2015)
The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with the replacement standard to be effective for annual periods beginning 1 January 2015. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

Phase 1: Classification and Measurement.
Phase 2: Impairment methodology.
Phase 3: Hedge accounting.

In addition, a separate project is dealing with derecognition. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and they can comprehensively assess the impact of all changes.

IFRS 15, "Revenue from Contracts with Customers" (effective from 1 January 2017)
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 "Revenue", IAS 11 "Construction Contracts", and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. Management consider that IFRS 15 will have no material impact upon these consolidated financial statements.

The Group's management have yet to assess the impact of these new standards.

3 Financial risk management

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, currency risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

The Group's financial assets and liabilities are summarised as follows:

	2014 £'000	2013 £'000
Financial assets:		
Cash and cash equivalents	**938**	130
Loans and receivables	**1,304**	1,206
	2,242	1,336
Financial liabilities:		
Financial liabilities measured at amortised cost	**1,788**	1,947
	1,788	1,947

Liquidity risk

The Group seeks to manage financial risk to ensure financial liquidity is available to meet foreseeable needs and to invest cash assets safely and profitability. Short-term flexibility is achieved through trade finance arrangements and overdrafts.

Having reviewed the maturity of financial liabilities and the forecast cash flows for the forthcoming twelve month period, the Directors believe that sufficient cash will be generated from trading operations to meet debt obligations as they fall due.

The maturity of financial liabilities as at 31 December 2014 is summarised as follows:

Gross cash flows:	Trade payables and accruals £'000	Finance leases £'000	Loans £'000	Bank £'000	Total £'000
Zero to sixty days	**682**	**3**	**797**	**353**	**1,835**
	682	**3**	**797**	**353**	**1,835**

The maturity of financial liabilities as at 31 December 2013 is summarised as follows:

Gross cash flows:	Trade payables and accruals £'000	Finance leases £'000	Loans £'000	Bank £'000	Total £'000
Zero to sixty days	650	3	579	101	1,333
Sixty-one days to three months	–	–	–	–	–
Four months to six months	–	3	–	–	3
Seven months to one year	–	5	650	–	655
One year to three years	–	3	–	–	3
	650	14	1,229	101	1,994

3 Financial risk management continued

Interest rate risk

The Group seeks to reduce its exposure to interest rate risk where possible, but this is offset by the availability of trade finance arrangements which are transaction specific to meet liquidity needs and so have variable interest rate terms.

Sensitivities have been looked at in the range of an absolute rate increase of 5% or a decrease of 1% which enable an objective calculation to be made depending on any interest rate changes in the future. Any rate changes would be outside the control of the Company.

The Group's exposure to interest rate risk as at 31 December 2014 is summarised as follows:

	Fixed £'000	Variable £'000	Zero £'000	Total £'000
Cash and cash equivalents	–	938	–	938
Trade receivables	–	–	1,274	1,274
VAT	–	–	59	59
Other debtors	12	–	18	30
	12	938	1,351	2,301
Trade payables	–	–	(464)	(464)
Other payables	–	–	(71)	(71)
Bank overdraft	–	(353)	–	(353)
Lease purchase	(3)	–	–	(3)
Other loans	(650)	(147)	–	(797)
	(641)	(438)	816	(613)
Sensitivity: increase in interest rates of 5%	–	(22)	–	(22)
Sensitivity: decrease in interest rates of 1%	–	4	–	4

The Group's exposure to interest rate risk as at 31 December 2013 is summarised as follows:

	Fixed £'000	Variable £'000	Zero £'000	Total £'000
Cash and cash equivalents	–	130	–	130
Trade receivables	–	–	1,162	1,162
VAT	–	–	83	83
Other debtors	25	–	19	44
	25	130	1264	1419
Trade payables	–	–	(488)	(488)
Other payables	–	–	(76)	(76)
Bank overdraft	–	(101)	–	(101)
Lease purchase	(12)	–	–	(12)
Other loans	(650)	(579)	–	(1,229)
	(637)	(550)	700	(487)
Sensitivity: increase in interest rates of 5%	–	(28)	–	(28)
Sensitivity: decrease in interest rates of 1%	–	6	–	6

Sensitivity shows the effect on equity profit and loss.

Currency risk
The Group operates in overseas markets and is subject to currency exposure on transactions undertaken during the year. The Group hedges the transactions where possible by buying goods and selling them in the same currency. The Group also has bank facilities available for hedging purposes.

A summary of foreign currency financial assets and liabilities as stated in the statement of financial position together with a sensitivity analysis showing the effect of a 10% change in rate with Sterling is shown below:

	Currency	Sterling 2014 £'000	Currency balance 2014 '000	Sterling 2013 £'000	Currency balance 2013 '000
Financial assets	Euro	443	€570	276	€331
Financial liabilities	Euro	(285)	€(367)	(249)	€(298)
Net balance	Euro	158	€203	27	€33
Effect of 10% Sterling increase		(14)		(2)	
Effect of 10% Sterling decrease		18		3	
Financial assets	USD	985	$1,535	1,014	$1,681
Financial liabilities	USD	(577)	$(899)	(677)	$(1,122)
Net balance	USD	408	$636	337	$559
Effect of 10% Sterling increase		(37)		(31)	
Effect of 10% Sterling decrease		45		37	

Sensitivity shows the effect on equity and profit and loss. A 10% change is shown to enable an objective calculation to be made on exchange rates which may be assumed for the future.

Credit risk
The Group's exposure to credit risk is limited to the carrying value of financial assets at the balance sheet date, summarised as follows:

	2014 £'000	2013 £'000
Loans and receivables:		
Trade receivables	1,274	1,162
Finance lease receivables	12	25
Cash and cash equivalents	938	130
	2,224	1,317

The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from trade receivables. The seven largest customer balances at the end of the year make up 68% (2013: 68%) of the above trade receivables.

In order to manage credit risk the Directors set limits for customers based on a combination of payment history, third-party credit references and use of credit insurance. These limits are reviewed regularly.

The maturity of overdue debts is set out in note 16. During the period debts totalling £70,836 (2013: £15,000) were written off. The amount written off of £70,836 had been provided for in previous years (2013: £nil).

Capital requirements
Interest bearing loans and borrowings are monitored regularly to ensure the Group has sufficient liquidity and its exposure to interest rate risk is mitigated. Management consider the capital of the Group comprises the share capital and interest bearing loans and borrowings as detailed in note 25. The Company satisfies the Companies Act 2006 requirement to hold £50,000 issued and authorised share capital. The rule that 25% must be paid up is also satisfied, by reference to note 18.

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4 Critical accounting estimates and judgements

Estimates and judgements are evaluated continually and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those actions.

In preparing these accounts the following areas were considered to involve significant judgements and estimates:

Capitalisation of development costs

Judgements and estimates relating to the capitalisation of development costs are detailed in note 2.

Recoverability of capitalised development cost

Judgements and estimates relating to capitalised development costs are detailed in note 12.

Share option judgements

Judgements and estimates relating to share-based payment charges are detailed in note 18.

Going concern

Judgements and estimates relating to going concern are detailed in note 2.

Bad debts

Provisions for bad debts are shown in note 16. Bad debt provisions are made when there is objective evidence of impairment. Where there is no provision then it is due to adequate credit insurance being in place, or cash has been received since the end of the year, or adequate information exists to support the recoverability of the debt.

Recognition of deferred tax assets

Judgements and estimates relating to a deferred tax asset are detailed in note 9a.

5 Segmental information

The chief operating decision maker of the Group is the Board of Directors and they review the business in three main segments, the supply of plastic products, the development of plastic products, and the development of recycling technologies.

The segmental results for the year ended 31 December 2014 are as follows:

Business segments 12 months to 31 December 2014	Plastics Sales £'000	Plastics R&D £'000	Recycling Tech. £'000	Group £'000
Segment revenues	6,352	–	–	6,352
Apportioned costs	(5,864)	(406)	(219)	(6,489)
EBITDA	488	(406)	(219)	(138)
Depreciation and amortisation	(103)	(25)	–	(128)
Interest	(125)	–	–	(125)
Taxation	–	69	16	85
Profit/(loss) for the year	260	(362)	(203)	(305)

The segmental results for the year ended 31 December 2013 are as follows:

Business segments 12 months to 31 December 2013	Plastics Sales £'000	Plastics R&D £'000	Recycling Tech. £'000	Group £'000
Segment revenues	7,190	–	–	7,190
Apportioned costs	(6,413)	(553)	(805)	(7,771)
EBITDA	777	(553)	(805)	(581)
Depreciation and amortisation	(124)	(24)	–	(148)
Interest	(49)	–	–	(49)
Taxation	–	71	–	71
Profit/(loss) for the year	604	(506)	(805)	(707)

Revenues stated are from external customers.

There were no inter-segment revenues for the above periods.

There has been no change in total assets other than in the ordinary course of business.

Segmental assets primarily consist of property, plant and equipment, intangible assets, inventories, trade and other receivables and cash and cash equivalents.

Segmental liabilities comprise operating liabilities.

The segment assets and liabilities at 31 December 2014 and capital expenditure for the year then ended are as follows:

£'000	Plastics Sales and Plastics R&D	Recycling Tech.	Group
Assets	5,622	–	5,622
Liabilities	(1,906)	–	(1,906)
Capital expenditure	77	24	101
Depreciation and amortisation	118	–	118

The segment assets and liabilities at 31 December 2013 and capital expenditure for the year then ended are as follows:

£'000	Plastics Sales and Plastics R&D	Recycling Tech.	Group
Assets	4,497	–	4,497
Liabilities	(2,068)	–	(2,068)
Capital expenditure	134	15	149
Depreciation and amortisation	148	–	148

Segmental assets and liabilities are reported to the chief operating decision maker under the two Divisions stated above.

Geographical areas
The Group's revenues from external customers and its non-current assets (assets other than financial instruments) are divided into the following geographical areas:

Geographical areas	2014 £'000 Revenue	2014 £'000 Non-current assets	2013 £'000 Revenue	2013 £'000 Non-current assets
UK	274	1,541	337	1,825
Europe	1,131	–	1,161	–
Americas	3,060	–	3,406	–
Other	1,887	–	2,286	–
Total	6,352	1,541	7,190	1,825

Major customers
One customer accounted for greater than 10% of total Group revenues for 2014 (2013: two customers). The customer accounted for £852,000, or 13% of total Group revenues, (in 2013 one customer accounted for £1,108,000, or 15% of the total Group revenues, another customer accounted for £750,000 or 10% of total Group revenues).

6 Operating loss

The operating loss is stated after charging:

	2014 £'000	2013 £'000
Non-recurring items	–	570
Depreciation	89	119
Amortisation	29	29
Loss on disposal of property, plant and equipment	10	1
Impairment of intangible asset	–	494
Research and development expenditure not capitalised	406	383
Operating lease rentals:		
Land and buildings	93	107
Plant and equipment	5	6
Fees payable to the Company's auditor for the audit of the financial statements	11	11
Fees payable to the Company's auditor for other services:		
Audit of the financial statements of the Company's subsidiaries pursuant to legislation	26	26
Interim review	1	1
Other services relating to taxation	7	7
Net foreign exchange gain	(10)	(5)

Non-recurring items within administrative expenses for 2013 comprise of £76,000 of costs incurred in the transfer of operations from one of the Group's UK facilities to the Head Office, and an impairment charge of £494,000, details of which are given in note 12.

7 Employee benefit expense

	2014 £'000	2013 £'000
Wages and salaries	1,614	1,732
Social security costs	198	203
Other pension costs	75	76
	1,887	2,011

Average number of people employed:

	2014	2013
Testing and technical	4	7
Selling	8	8
Administration	8	8
Management	6	6
Marketing	–	1
Total average headcount	**26**	30

Remuneration in respect of the Directors was as follows:

	2014 £'000	2013 £'000
Emoluments	805	806
Pension contributions	65	65
	870	871

Key management remuneration:

	2014 £'000	2013 £'000
Short-term employee benefits	805	806
Post-employment benefits	65	65
	870	871

The Directors are considered to be the key management personnel of the Group. Further details on Directors' remuneration and share options are set out in the Remuneration Report.

8 Finance income and costs

	2014 £'000	2013 £'000
Interest income:		
Finance lease interest	1	5
Total finance income	1	5
Interest expense:		
Bank borrowings	4	5
Other interest	121	46
Finance charges	1	3
Total finance costs	126	54
Net finance costs	125	49

9 Taxation

	2014 £'000	2013 £'000
Net deferred tax (see note 9a)	–	(74)
R&D tax credit	85	145
Total income tax credit	85	71

No tax arises on the loss for the year.

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 21% (2013: 23%). The change in the rate of standard corporation tax is due to the rates being changed by UK Government legislation. The differences in tax assessed against the standard rate of corporation tax are explained as follows:

	2014 £'000	2013 £'000
Loss for the year before tax	(390)	(778)
Tax calculated by rate of tax on the result	(84)	(179)
Effective rate for year at 21.5% (3m @ 23% and 9m @ 21%)	(2)	(2)
Expenses not deductible for tax purposes	4	123
Depreciation in excess of capital allowances	–	11
Capital allowances in excess of depreciation	(6)	–
R & D tax relief	28	(8)
Tax losses carried forward	64	55
Sundry items	(4)	–
Movement in deferred income tax asset (see note 9a)	–	(74)
R&D tax credit	85	145
Total income tax credit	85	71

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9a Deferred income tax asset

	2014 £'000	2013 £'000
Deferred income tax asset brought forward	1,142	1,216
Change in tax rate	–	(171)
Recognised in the year	–	97
Deferred income tax asset carried forward	**1,142**	1,142

The deferred tax asset relates to tax losses. There are tax losses of approximately £13,400,000 (2013: £13,300,000).

Of these tax losses, a £nil deferred tax adjustment has been recognised in this year's accounts (2013: negative £74,000) resulting in a total asset recognised of £1,142,000 (2013: £1,142,000). There is a total potential tax asset of £2,680,000 using a rate of 20%, being the corporation tax rate UK Parliament has currently set.

The recognition of the deferred tax asset is based on sensitising management forecasts to estimate the future taxable profits against which the losses will be relieved. Judgements have been made in respect to profitability going forward based upon current sales leads and market receptiveness to anticipated product launches. Other key estimates relate to foreign exchange rates.

10 Loss per share and dividends

The calculation of basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive options and warrants.

Reconciliations of the loss and weighted average numbers of shares used in the calculations are set out below:

Basic and diluted	2014	2013
Loss attributable to equity holders of the Company	£(305,000)	£(707,000)
Weighted average number of ordinary shares in issue	130,255,952	128,010,884
Basic loss per share	**(0.23) pence**	(0.55) pence
Dilutive effect of weighted average options	–	–
Total of weighted average shares together with dilutive effect of weighted options	130,255,952	128,010,884
Diluted loss per share	**(0.23) pence**	(0.55) pence

No dividends were paid for the year ended 31 December 2014 (2013: £nil). The effect of options in 2014 and 2013 are anti-dilutive.

23,126,500 options were outstanding at the end of the year which may become dilutive in future years.

The loss before non-recurring items is £305,000 (2013: £137,000) and the basic and diluted loss per share using the weighted average number of ordinary shares of 130,255,952 (2013: 128,010,884) is 0.23 pence (2013: loss 0.55 pence).

11 Property, plant and equipment

	Plant & machinery £'000	Fixtures & fittings £'000	Fixtures & fittings Elstree Gate £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
At 1 January 2013						
Cost	358	67	236	127	160	948
Accumulated depreciation	(142)	(59)	(60)	(82)	(106)	(449)
Net book amount	216	8	176	45	54	499
Year ended 31 December 2013						
Opening net book amount	216	8	176	45	54	499
Additions	1	–	6	–	14	21
Disposals	–	–	–	(22)	–	(22)
Depreciation charge	(44)	(3)	(24)	(10)	(38)	(119)
Eliminated on disposal	–	–	–	15	–	15
Closing net book amount	173	5	158	28	30	394
At 1 January 2014						
Cost	359	67	242	105	174	947
Accumulated depreciation	(186)	(62)	(84)	(77)	(144)	(553)
Net book amount	173	5	158	28	30	394
Year ended 31 December 2014						
Opening net book amount	173	5	158	28	30	394
Additions	12	–	51	–	14	77
Transfer to/from other class	8	–	(8)	–	–	–
Disposals	(5)	(67)	–	–	–	(72)
Depreciation charge	(33)	–	(27)	(9)	(20)	(89)
Depreciation charge transferred to/from other class	(2)	–	2	–		–
Eliminated on disposal	–	62	–	–	–	62
Closing net book amount	153	–	176	19	24	372
At 31 December 2014						
Cost	374	–	285	105	188	952
Accumulated depreciation	(221)	–	(109)	(86)	(164)	(580)
Net book amount	153	–	176	19	24	372

Included within net book value of motor vehicles, plant and machinery, and office equipment is £2,000 (2013: £5,000) relating to assets held under finance leases and hire purchase contracts. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,000 (2013: £9,000).

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12 Intangible assets

	Development costs £'000	Trademarks £'000	Total £'000
At 1 January 2013			
Cost	1,424	59	1,483
Accumulated amortisation	(116)	(33)	(149)
Net book amount	1,308	26	1,334
Year ended 31 December 2013			
Opening net book amount	1,308	26	1,334
Additions	124	2	126
Impairment charge	(494)	–	(494)
Amortisation charge	(24)	(5)	(29)
Closing net book amount	914	23	937
At 1 January 2014			
Cost	**1,548**	**61**	**1,609**
Accumulated amortisation	**(140)**	**(38)**	**(178)**
Accumulated impairment	**(494)**	**–**	**(494)**
Net book amount	**914**	**23**	**937**
Year ended 31 December 2014			
Opening net book amount	**914**	**23**	**937**
Additions	**235**	**26**	**261**
Amortisation charge	**(24)**	**(5)**	**(29)**
Closing net book amount	**1,125**	**44**	**1,169**
At 31 December 2014			
Cost	**1,783**	**87**	**1,870**
Accumulated amortisation	**(164)**	**(43)**	**(207)**
Accumulated impairment	**(494)**	**–**	**(494)**
Net book amount	**1,125**	**44**	**1,169**

The Group relies on the continued development of its product range and in so doing is maintaining satisfactory goals in fulfilling its strategy (see Chairman's Statement and Chief Executive's Review). After taking this into account together with the considerations of liquidity risk, see note 3, the Directors do not believe that there are any indicators of impairment other than detailed below.

Development costs are capitalised in accordance with the policy set out in note 2. In capitalising these costs, judgements are made relating to ongoing feasibility and commerciality of products and systems being developed. In making these judgements, cash flow forecasts are used and these include significant estimates in respect to sales forecasts and future foreign exchange rates.

During 2014 there have been no impairments of intangible assets. In 2013 the Group recognised an impairment charge of £494,000 against an individual asset within the Recycling Tech Division comprised of capitalised development costs. Following a strategic decision taken by the Directors to look to complete the development of the product outside of the Group, it was determined that the asset should be fully impaired.

13 Subsidiary undertakings

Principal subsidiaries:

Name	Country of incorporation	Nature of business	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group
Symphony Environmental Limited	England and Wales	Supply of environmental polyolefin products and ancillaries	100%	100%
Symphony Packaging Limited	England and Wales	Dormant	0%	100%
D2W Limited	England and Wales	Dormant	0%	100%
Symphony Plastics (2010) Limited	England and Wales	Dormant	0%	100%
Symphony Recycling Technologies Limited	England and Wales	Development of recycling systems	100%	100%
Elstree Gate Services Limited	England and Wales	Dormant	100%	100%
Symphony Environmental (Jamaica) Limited	Jamaica	Dormant	0%	100%

All of the above subsidiaries are consolidated in the Group financial statements.

14 Available for sale financial assets

All non-current	2014 £'000	2013 £'000
Beginning and end of year	–	–

The Company holds 30% of the ordinary share capital of Symphony Bin Hilal Plastics LLC, a company incorporated in the United Arab Emirates. The Directors are of the opinion that this is an investment as the Directors do not have significant influence because they have no financial or management control. A full impairment had been made against this in 2012 due to limited availability of financial information.

The Company holds 30% of Tyre Recycling Technologies Limited, a company registered in England and Wales. The company is dormant.

The Company holds 10% of the ordinary share capital of American Plastic Technologies plc, a company incorporated in the United States of America. The Directors are of the opinion that this is an investment as the Directors do not have significant influence because they have no financial or management control. The investment in American Plastics Technologies plc is measured at cost less impairment charges as the fair value cannot be estimated readily. The cost of this investment was £nil.

The Company holds c.5% of the ordinary share capital of Oxobioplast Inc., a company incorporated in the United States of America. The Directors are of the opinion that this is an investment as the Directors do not have significant influence because they have no financial or management control. The investment in Oxobioplast Inc. is measured at cost less impairment charges as the fair value cannot be estimated readily. The cost of this investment was £nil.

There is no collateral on the above amounts.

15 Inventories

	2014 £'000	2013 £'000
Finished goods and goods for resale	576	528

The cost of inventories recognised as an expense and included in "cost of sales" amounted to £3,200,000 (2013: £3,513,000). There is a provision of £10,000 for the impairment of inventories (2013: £17,000).

There is no collateral on the above amounts.

Notes to the Annual Report and Accounts
continued

16 Trade and other receivables

	2014 £'000	2013 £'000
Loans and receivables:		
Trade receivables	**1,274**	1,162
Receivables under finance leases	**12**	25
Other debtors	**18**	19
VAT	**59**	83
Prepayments	**62**	77
	1,425	1,366

The Directors consider that the carrying value of trade and other receivables approximates to their fair values. There is a provision of £117,000 for the impairment of receivables (2013: £270,000). The maximum credit risk exposure at the balance sheet date equates to the carrying value of trade receivables. Further disclosures are set out in note 3.

Included in trade receivables at 31 December 2014 are debtors which are past due but where no provision has been made as there has not been a change in the credit worthiness of these debtors and the amounts are considered recoverable. As of 31 December 2014 trade receivables of £137,000 (2013: £27,000) were past due and not impaired. The ageing analysis of these trade receivables is as follows:

	2014 £'000	2013 £'000
More than three months but less than six months	**121**	11
More than six months but not more than one year	**16**	16
	137	27

Due to the different markets that the Group operates in, trade terms vary from cash on shipment of goods to payment under letter of credit due 150 days from shipment.

Trade receivables are secured against the facilities provided by the Group's bankers.

Lease agreements in which the other party, as lessee, is to be regarded as the economic owner of the leased assets give rise to accounts receivable in the amount of the discounted future lease payments. These receivables amounted to £12,000 as of 31 December 2014 (2013: £25,000).

The receivables under finance leases for 2014 are as follows:

£'000	Total future payments	Unearned interest income	Present value
Not later than one year	**14**	**2**	**12**
As at 31 December 2014	**14**	**2**	**12**

The receivables under finance leases for 2013 were as follows:

£'000	Total future payments	Unearned interest income	Present value
Not later than one year	27	2	25
As at 31 December 2013	27	2	25

The leases, which relate to d_2Detectors, are typically cancellable after the first six months and run for a period of two years. The contracts include an option to purchase the leased equipment at any time between the initial six month period and the full term of two years. The purchase price lies between 33% and 75% of the gross investment at the inception of the lease, resulting from the timing the option to purchase is exercised.

17 Cash and cash equivalents

	2014 £'000	2013 £'000
Loans and receivables:		
Cash at bank and in hand	938	130

The carrying amount of cash equivalents approximates to their fair values. There is no collateral on the above amounts.

18 Equity

	Group and Company			Group	
	Ordinary shares Number	Ordinary shares £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2013	127,994,377	1,280	1,648	205	3,133
Loss for the year	–	–	–	(707)	(707)
Proceeds from shares issued	125,000	1	2	–	3
At 31 December 2013	128,119,377	1,281	1,650	(502)	2,429
At 1 January 2014	**128,119,377**	**1,281**	**1,650**	**(502)**	**2,429**
Loss for the year	**–**	**–**	**–**	**(267)**	**(267)**
Proceeds from shares issued	**16,450,000**	**165**	**1,427**	**–**	**1,592**
At 31 December 2014	**144,569,377**	**1,446**	**3,077**	**(769)**	**3,754**

Proceeds from shares issued
The following ordinary shares were issued during the year:

Date	Ordinary shares Number	Details	Consideration £	Premium £
20 January 2014	100,000	Exercise of options	2,750	1,750
28 April 2014	450,000	Exercise of options	11,063	6,563
19 May 2014	150,000	Exercise of options	3,563	2,063
17 November 2014	12,800,000	Placing	1,280,000	1,152,000
24 December 2014	2,950,000	Placing	295,000	265,500

Share options and warrants
As at 31 December 2014 the Group maintained an approved share-based payment scheme for employee compensation. For the options granted to vest, the Group must have achieved an earnings per share in excess of 0.001p and employees must serve a specified amount of time.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options. As at 31 December 2014 there were 3,375,000 staff options outstanding. No staff options were issued in 2014.

On 14 November 2014 the Group granted 6,700,000 warrants exercisable at 15p for three years to Somerston Environmental Technologies Ltd. Mr Shaun Robinson, a Director of Symphony Environmental Technologies Plc has interests of 13.33% in Somerston Environmental Technologies Ltd which represents 893,110 warrants.

18 Equity continued

The Group has also issued unapproved share options and warrants. Approved and unapproved share options, warrants and weighted average exercise price are as follows for the reporting periods presented:

	2014 Number	2014 Weighted average exercise price £	2013 Number	2013 Weighted average exercise price £
Outstanding at 1 January	17,626,500	0.06	18,151,500	0.06
Granted	6,700,000	0.15	100,000	0.05
Exercised	(700,000)	0.02	(125,000)	0.02
Forfeited/lapsed	(500,000)	0.05	(500,000)	0.08
Outstanding at 31 December	23,126,500	0.09	17,626,500	0.06

The weighted average share price at the date options were exercised was 9p (2013: 7p).

The number of share options and warrants exercisable at 31 December 2014 was 23,126,500 (2013: 17,626,500). The weighted average exercise price of those shares exercisable was 9p (2013: 6p).

The weighted average option contractual life is eight years (2013: ten years) and the range of exercise prices is 2.375p to 15p (2013: 2.375p to 12p).

Directors
Directors' interests in shares and share incentives are contained in the Remuneration Report.

IFRS2 expense
There is an IFRS share-based charge for the year of £nil (2013: £nil).

19 Trade and other payables

	2014 £'000	2013 £'000
Current		
Financial liabilities measured at amortised cost:		
Trade payables	464	488
Social security and other taxes	71	76
Accruals and deferred income	218	162
	753	726

Fair value is not materially different to book value. There is no collateral on the above amounts.

20 Interest bearing loans and borrowings

	2014 £'000	2013 £'000
Non-current		
Finance lease liabilities	–	3
	–	3
Current		
Financial liabilities measured at amortised cost:		
Bank overdraft	353	101
Other loans	797	1,229
Finance lease liabilities	3	9
	1,153	1,339

The bank overdraft of £353,000 (2013: £101,000) is included within the Cash Flow Statement within cash and cash equivalents.

Other loans include:
An amount due relating to the invoice financing facility totalling £147,000 (2013: £579,000). Interest is charged at 2.96% over HSBC Bank plc base rate per annum. An amount due to Michelle Laurier, spouse of Michael Laurier, of £150,000 (2013: £150,000). Interest is charged at 2% per month (See Note 23). An amount due to an unconnected individual of £500,000 (2013: £500,000). Interest is charged at 12% per annum. The loans from Michelle Laurier and an unconnected individual of £150,000 and £500,000 respectively, were repaid in January 2015.

Commitments under finance leases and hire purchase agreements mature as follows:

	Gross 2014 £'000	Gross 2013 £'000	Net 2014 £'000	Net 2013 £'000
Amounts payable within one year	3	10	3	9
Amounts payable between one and two years	–	3	–	3
	3	13	3	12

The finance leases are for the purchase of sundry equipment (note 11).

There is no collateral on the above amounts except for finance lease liabilities which are secured against the asset that they finance.

21 Net cash used in operations

	2014 £'000	2013 £'000
Loss after tax	(305)	(707)
Adjustments for:		
Depreciation	89	119
Amortisation	29	29
Impairment of intangible asset	–	494
Loss on disposal	10	1
Share-based payments	–	–
Impairment of financial asset	–	–
Tax credit	(85)	(71)
Interest expense	126	54
Changes in working capital:		
Inventories	(47)	108
Trade and other receivables	(24)	(542)
Trade and other payables	27	(440)
Cash used in operations	(180)	(955)

22 Commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014 £'000	2013 £'000
No later than one year	128	113
Later than one year and no later than five years	471	151
Greater than five years	29	–
	628	264

23 Related party transactions

During 2013 Michelle Laurier, spouse of Michael Laurier, loaned the company £150,000. Interest on the loan was calculated at 2% per month. £150,000 was outstanding at 31 December 2014 (2013: £150,000). This loan was repaid in January 2015.

24 Post balance sheet events

There have been no significant post balance sheet events.

25 Capital management

The Group's capital management objectives are:
- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the gearing ratio calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the Consolidated Statement of Financial Position less cash and cash equivalents. Total capital is calculated as equity as shown in the Consolidated Statement of Financial Position plus net debt.

The Group's goal in capital management is to maintain an optimal gearing ratio, this has changed from 2013 where the goal was to maintain a capital-to-overall financing ratio of 1:1 to 1:3. The gearing ratio has been restated for 2013.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The gearing ratios at 31 December 2014 and 2013 were as follows:

	2014 £'000	2013 £'000
Total borrowings	**1,153**	1,342
Cash and cash equivalents	**(938)**	(130)
Net debt	**215**	1,212
Total equity	**3,716**	2,429
Borrowings	**1,153**	1,342
Overall financing	**4,869**	3,771
Gearing ratio	**4%**	32%

The ratio-decrease during 2014 is due to both the increase in equity, being new shares issued during the year, which resulted in the high cash and cash equivalents balance at the year end. The Group will endeavour to optimise the ratio depending on the position of the Group and its general requirements.

26 Capital commitments

The Group had capital commitments totalling £nil at the end of the year (2013: £nil).

The following pages contain the balance sheet and accompanying notes for the parent Company prepared under UK GAAP.

Company Balance Sheet

at 31 December 2014

Company number 3676824

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	28	**4**	11
Investments	29	**2,150**	2,150
		2,154	2,161
Current assets			
Debtors	30	**3,301**	2,520
Cash at bank and in hand		**921**	9
		4,222	2,529
Creditors: amounts falling due within one year	31	**593**	69
Net current assets		**3,520**	2,460
Total assets less current liabilities		**5,783**	4,621
Creditors: amounts falling due after more than one year	32	**–**	508
		5,783	4,113
Capital and reserves			
Share capital	34	**1,446**	1,281
Share premium account	35	**3,077**	1,650
Profit and loss account	35	**1,260**	1,182
		5,783	4,113

The Company has applied the exemption under section 408 of the Companies Act 2006 not to present a profit and loss account for the year ended 31 December 2014. There are no recognised gains or losses other than its profit for the year as detailed in note 36.

These financial statements were approved by the Directors on 10 April 2015 and are signed on their behalf by:

I Bristow FCCA
Finance Director
The accompanying notes form an integral part of these financial statements.

Notes to the Company Balance Sheet

27 Principal accounting policies

Basis of accounting
The Company financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP).

Fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	– 20% reducing balance.
Motor vehicles	– 20% reducing balance.

Leasing and hire purchase commitments
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs
Company pensions are operated within the Group pension scheme. The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable in respect to the Company are charged to the profit and loss account.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception: deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments
Investments are included at cost less amounts written off.

Financial instruments
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 entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classified as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Equity-settled share-based payments
All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2007 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values are determined by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. The fair value is charged to the profit and loss account between the date of issue and the date the share options vest with a corresponding credit taken to shareholders' funds.

28 Tangible fixed assets

	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2014	27	35	62
Transfer to other company within the Group	(27)	–	(27)
At 31 December 2014	–	35	35
Depreciation			
At 1 January 2014	22	29	51
Charge for the year	–	2	2
Transfer to other company within the Group	(22)	–	(22)
At 31 December 2014	–	31	31
Net book value			
At 31 December 2014	–	4	4
At 31 December 2013	5	6	11

Included within the net book value of £4,000 is £nil (2013: £nil) relating to assets held under finance leases and hire purchase contracts. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2013: £3,000).

29 Investments

Shares in Group undertakings	2014 £'000	2013 £'000
At beginning and end of the year	2,150	2,150

Group undertakings are detailed in note 13.

30 Debtors

	2014 £'000	2013 £'000
Amounts owed by Group undertakings	3,286	2,510
VAT	5	4
Other debtors	5	–
Prepayments	5	6
	3,301	2,520

31 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	21	10
Loans	500	–
Accruals	72	59
	593	69

Notes to the Company Balance Sheet
continued

32 Creditors: amounts falling after more than one year

	2014 £'000	2013 £'000
Amounts owed to Group undertakings	–	8
Loans	–	500
	–	508

33 Contingent liabilities
The Company has guaranteed all monies due to its bankers by Symphony Environmental Limited, Symphony Recycling Technologies Limited and Symphony Plastics (2010) Limited. At 31 December 2014 the net indebtedness of these companies amounted to £nil (2013: £nil).

34 Share capital
The Company's share capital is detailed in note 18.

35 Reserves

	Share premium account £'000	Profit and loss account '000
At 1 January 2014	1,650	1,182
Retained profit for the year	–	78
New equity share capital subscribed	1,427	–
At 31 December 2014	**3,077**	**1,260**

36 Parent Company own accounts
Symphony Environmental Technologies plc has not presented its own profit and loss account and related notes as permitted by Section 408 of the Companies Act 2006. The profit for the financial year dealt with in the financial statements of the parent Company is £78,000 (2013: profit £108,000).

37 Directors and employees
All employees of Symphony Environmental Technologies plc are Directors. See note 7 of the Group consolidated accounts

The average number of staff employed by the Company during the financial year amounted to:

	2014 No.	2013 No.
Management	2	2

The aggregate payroll costs of the above were:

	2014 £'000	2013 £'000
Wages and salaries	65	73
Social security costs	7	8
	72	81

The company has taken advantage of the FRS8 exemption that allows intra-Group transactions with a 100% subsidiary to not be disclosed.

There were no other related party transactions throughout the period.

Company information

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3676824

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M N Laurier
Chief Executive Officer

I Bristow FCCA
Finance Director

M Stephen LL.M
Commercial Director & Deputy Chairman

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N Clavel
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