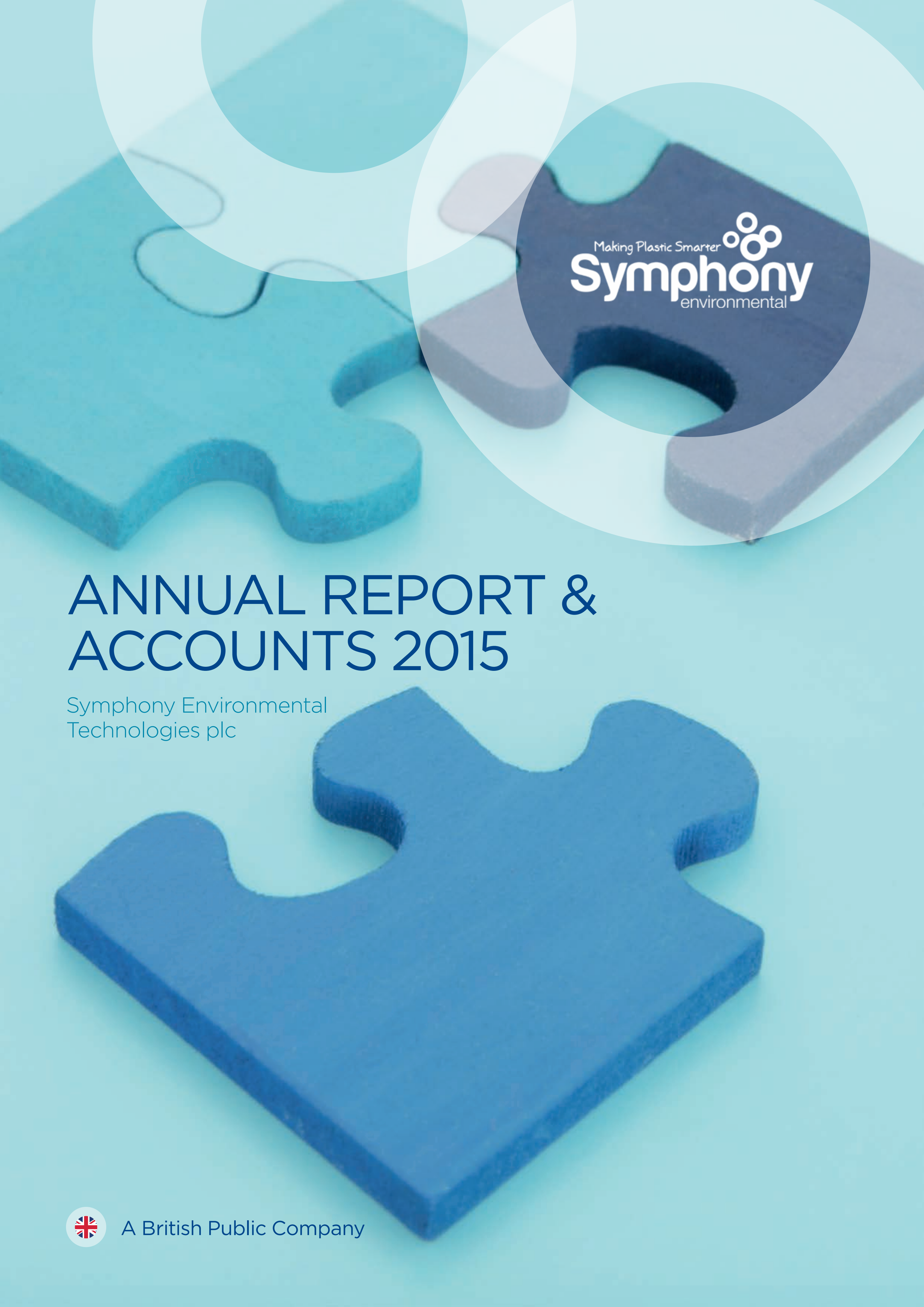


Making Plastic Smarter
Symphony
environmental

ANNUAL REPORT & ACCOUNTS 2015

Symphony Environmental Technologies plc

A British Public Company

Symphony is able to supply a wide range of technologies worldwide, to make plastic smarter.

> Symphony is the world leader in controlled-life plastic and sells both pro-degradant additives and finished plastic products. O ur d_2w additive is the only technology of this type to be awarded an Eco-label, which distinguishes it from all other oxo-biodegradable plastic products on the market.

> We have developed a range of protective technologies under the d_2p (designed to protect) brand, which offer extra protection to plastic products from bacteria, insects, fungi, algae, odour, fouling and fire. We also have a number of additives in development which will be adding to this family of products in the coming year.

> In addition to the above, our d_2t tag and trace technologies give our customers the ability to accurately determine the authenticity of their plastic products, helping to protect brand owners from counterfeits and fraud.

> Our products are marketed through a network of distributors, now serving almost 100 countries worldwide.

Highlights 2015

HIGHLIGHTS

- Revenues of £6.37 million (2014: £6.35 million)
- Gross profit of £2.93 million (2014: £3.16 million)
- Operating loss before non-recurring costs of £0.97 million (2014: loss £0.27 million)
- Non-recurring costs £1.31 million (2014: £nil)
- Loss before tax of £2.30 million (2014: loss of £0.39 million)
- Loss after tax of £3.33 million (2014: loss £0.31 million)
- Basic loss per share of 2.26p (2014: loss per share 0.23p)
- Cash generated in operations of £0.03 million (2014: cash used in operations £0.10 million)
- Somerston placing of £500,000 at 10p per ordinary share
- Directors purchase of 501,000 shares during the year

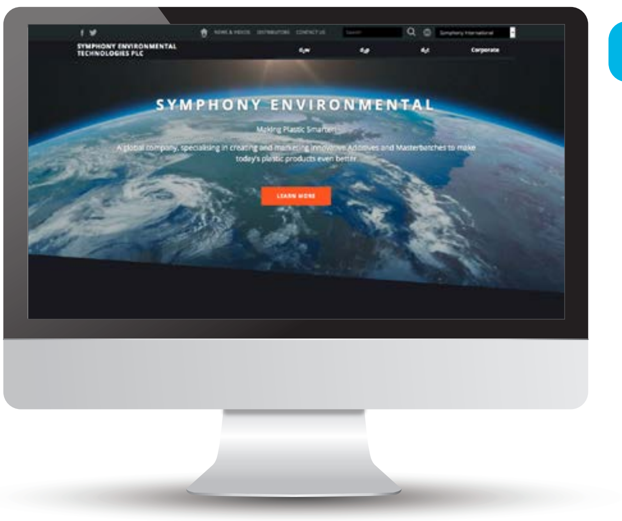
POST YEAR-END

- 1st quarter revenues 8% higher than same period last year
- Operating costs expected to reduce by approximately £750,000 for 2016
- Completion of new Recycling Study into oxo-biodegradable technology
- Launched new corporate website


Pg 02
Symphony at a glance

Pg 06
Chief Executive's Review

For more information visit:
www.symphonyenvironmental.com



www.
symphonyenvironmental.
com/investors

FROM A ONE PRODUCT COMPANY

TO A BROAD TECHNOLOGIES GROUP

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

PRODUCT INFORMATION

OVERVIEW

d_2w is a masterbatch system which, when included at the manufacturing stage, turns ordinary plastic at the end of its useful life into a material with a different molecular structure. It is then no longer a plastic and has become a material which is inherently biodegradable in the open environment in the same way as a leaf.

http://www.symphonyenvironmental.com/d2w/

http://www.symphonyenvironmental.com/what-is-d2w-2/

d_2w products include:

- Bin liners
- Bottles, tubs and cups
- Bubble wrap
- Carrier bags
- Cling film
- Food packets
- Frozen food packaging
- Garbage sacks
- Gloves and aprons
- Newspaper and magazine wrappers
- Paint ball spheres
- Pallet wrap
- Parachutes
- Shrink wrap

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 is complemented by Symphony's portable d_2Detector device.

http://www.symphonyenvironmental.com/d2t/

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.

http://www.symphonyenvironmental.com/d2t/d2detector/

OVERVIEW

d_2p is a family of masterbatches which offer extra protection to plastic products from bacteria, insects, fungi, algae, odour, fouling, and fire.

Antibacterial

Fights healthcare and food industry infections. Tested against dangerous organisms including MRSA, E-coli, Listeria, Salmonella, Pseudomonas and Aspergillus Niger.

Natural

Antibacterial suitable for use in food and non-food applications. In compliance with FDA Food and Drug Administration, USA and EFSA (European Food Safety Authority) requirements.

Antimicrobial

The primary purpose is to prevent bacterial and fungal contamination whilst preserving the aesthetic and functional properties of the plastic article.

Odour adsorber

Inorganic masterbatches and additives designed to inhibit the development of odours in plastic products and to prevent spoilage of fruit and vegetables.

Insecticide technology

Insecticidal plastic masterbatches used to control pests. Typically used in mosquito nets, agriculture, horticulture, forestry and home applications.

Flame retardant

Flame retardants decrease the ignitability of materials and inhibit the combustion process – limiting the amount of heat released.

Pest control

Rodents can cause dangerous damage to plastic products such as cable insulation, warehouse pallets, non-food packaging and boxes etc. Symphony has developed additive masterbatches with products that repel these pests.

Anti-fouling

Anti-fouling paint is a specialised coating applied to the hull of a ship or boat to reduce the growth of aquatic organisms.

http://www.symphonyenvironmental.com/d2p/

d_2p products include:

- Agriculture
- Clothing and accessories
- Credit/debit cards
- Cutting/chopping boards
- Electronic devices
- Flexible food packaging
- Food containers
- Fridges
- Home: roofing, wall cladding and decking, tubing, piping, bed pans
- Kitchen utensils
- Kitchen worktop coating
- 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
- Tablecloths
- Transportation: car interiors, tube, train, plane
- Water coolers

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

The year under review included some major investments in marketing and development costs. However, revenues remained disappointingly static, resulting in the operating loss before exceptional items increasing to £0.97 million (2015: £0.27 million).

IDENTIFYING GROWTH OPPORTUNITY

Blown filmline

As a result of the above, and following years of significant investment into our d_2w oxo-biodegradable plastic masterbatch range (the Group's primary revenue generating technology) the Board has carried out a strategic review of its technologies and their operating position.

- For d_2w, a number of successful commercial milestones have been achieved. As a result, the technology's main sustainability credentials namely, Eco-label, Recycling Studies, Bio-degradation and Eco-toxicity on land and in the sea have been enhanced. This is in addition to an earlier Life Cycle Analysis in support of oxo-biodegradable technology. Symphony has, and continues to achieve, positive political momentum in several overseas markets where governments aim to resolve the plastic litter crisis without damaging the plastic industry. Accordingly, the Board has decided that it will substantially reduce, but not eliminate, its investment into product development and marketing as it is unlikely to have a short to medium-term impact on the Group's revenue generation. The Board believes that the opportunities for d_2w oxo-biodegradable plastic will remain at the same high levels, despite a reduced level of investment.
- For d_2p, significant technological milestones have been achieved and although the Board is confident that material sales can result in the near future, there is an uncertainty in relation to timing. The Group has therefore realigned its focus, cost and investment into d_2p "designed to protect" plastic additives and masterbatches. The Board has successfully developed a number of new formulations in the d_2p range, including but not limited to the following: anti-microbial, flame retardant and insecticides. Some of these technologies may require certification or regulatory clearance before commercial use, and the Board is working hard to obtain these with our distributors. d_2p has a number of synergies with our established markets and customers, and the Group has a high number of sales opportunities that could result in a material increase in revenue in the near term. Due to both technical and regulatory reasons, no certainty of success can be given, however the Board has received positive indications from potential customers for the new products.

The impact of the strategic review on its technologies affects Symphony in the following ways:

- The Group has been able to significantly reduce its ongoing operating and marketing costs, which are expected to show a reduction of approximately £750,000 in 2016.
- The Board have reduced their fixed remuneration.
- Management are more focused on delivering products and technologies which will create shorter term value for shareholders.
- The cost base is now better aligned with the Group's current levels of revenue, with potential upside should sales increase.
- Given the uncertainty, a number of items being carried on the Group's balance sheet have been impaired including development costs relating mainly to d_2p of £1.28 million and the deferred tax asset of £1.14 million, as well as a prudent review of inventory and aged receivables provisions.

The Company has, and can foresee, no working capital constraints as a result of these changes.

The Board would like to thank its shareholders, management, distributors and staff for their steadfast commitment and dedication towards the commercial success of the business.

N Deva DL FRSA MEP
Chairman
19 April 2016

Chief Executive's Review
Michael Laurier

The Group successfully completed an important phase in its long term d_2w development plan and no longer requires the same level of investment, time and overhead cost to realise the full sales potential for this technology.

d_2w® – Controlled-life Plastic Technology

Symphony d_2w technology is known globally as an important technology and credible brand that is helping governments deal with the issue of plastic pollution and litter without the need to ban plastic products. d_2w has been trialled and tested over a long period of time by a wide range of organisations. It is the only oxo-biodegradable technology that has a complete set of sustainable credentials, namely, Life Cycle Assessment ("LCA"), Eco-label, Millennium Product, Eco-Toxicity, Bio-degradation, Recycling and membership to the important trade body, The Oxo-biodegradable Plastic Association ("OPA").

Consistent with previous years, the range of d_2w masterbatches and products represented the majority of the Group's revenues in 2015. Towards the year end it became clear that costs and investments could be reduced or even eliminated as the business had achieved one of its primary objectives, namely to create demand through positive Corporate Social Responsibility ("CSR") credentials and legislative drivers. It was also clear that sales should grow from the many ongoing and established relationships and projects. The main drivers for d_2w technology have been: organisations that need a low cost, easy to change, pragmatic solution to improve their CSR and environmental credentials, and governments that urgently needed to resolve the many issues created by plastic litter on land and in the oceans, and without materially increasing the cost of packaging or risk to food and health. The legislative drive in support of our d_2w biodegradable type technology is continuing albeit mostly outside of Europe and the USA where recycling and litter collection are well-developed and where they do not have the same level of issues created by litter that impact the less developed nations. The Board has started to see slow, but gradual enforcement of laws aimed at encouraging or enforcing the use of oxo-biodegradable plastic in a number of developing nations.

d_2p™ – Technology that is designed to protect

Symphony's product diversification and expansion strategy is being driven under the umbrella of the d_2p brand, which is gaining momentum in many applications within the global distribution network.

Symphony continues its investment into creating intellectual property for the growing number of d_2p products. Some of these technologies require certification or regulatory clearance before commercial use, and some do not. Customer trials have been ongoing for a number of years and some have been initiated in the period under review. From these, a number of trials have completed successfully with initial modest sales being achieved. Moving forward, given the stage of development now reached for the d_2p range of technologies, the level of investment required on an ongoing operating basis is expected to be less than in previous periods.

Due to confidentiality, details cannot be provided at this stage other than to say that these projects cover several countries and industry sectors. In particular, the business has one major project at contract negotiation phase after the completion of successful trials over the past 18 months.

Trading results

Group revenues were marginally higher at £6.37 million (2014: £6.35 million) albeit with a reduced gross profit margin at 46.0% from 49.8% in 2014. The contribution from gross profit was also reduced at £2.93 million versus £3.16 million in FY14. The fall in gross margin was driven by a less profitable sales mix during the back end of the year and a year-end stock impairment provision of £0.08 million.

Recurring administrative expenses increased by 12.9% to £3.68 million (2014: £3.26 million) due to an increase in R&D and marketing costs together with an increase in the receivables impairment provision of £0.12 million. Non-recurring administrative expense of £1.31 million were incurred in 2015 (2014: £nil) which included a £1.28 million impairment charge relating to development cost within intangible fixed assets, and £0.03 million relating to staff adjustments, following the strategic review.

Including non-recurring items, the Group made an operating loss of £2.29 million in 2015 compared to an operating loss of £0.27 million in 2014. This resulted in a loss before tax of £2.30 million in 2015 (2014: loss £0.39 million).

Excluding non-recurring items, the Group made an EBITDA loss of £0.84 million in 2015 (2014: loss £0.14 million) with an operating loss of £0.97 million (2014: loss £0.27 million). The increase in loss was due to marketing and R&D cost increases, together with the impairment provisions against receivables and stock as detailed above.

Included within the taxation charge of £1.03 million (2014: tax credit £0.09 million) is a deferred tax asset impairment of £1.14 million (2014: £nil) following the strategic review, together with an R&D tax credit of £0.11 million (2014: £0.09 million).

The Group therefore reports a loss for the year of £3.33 million (2014: loss £0.31 million) with basic loss per share of 2.26 pence (2014: loss per share 0.23 pence).

The Group's primary selling currency is the US Dollar. The Group had no contractual hedging instruments at the end of 2015 and 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 2015 the Group had a net balance of US Dollar assets totalling $0.82 million (2014: $0.64 million). A majority of the Group's revenue is in US Dollars and accordingly, a strong dollar is beneficial for the Group.

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 loss of £0.35 million (2014: profit £0.48 million). This loss compared to the previous year was the result of significantly increased marketing spend, together with the asset provisions detailed above. Plastics R&D incurred an EBITDA loss of £0.52 million (2014: £0.41 million).

SRT has no revenues to date and incurred a small amount of maintenance expenditure in 2015. In 2014 SRT had incurred costs of £0.22 million. The Board's strategy is to commercialise SRT with an appropriate partner when identified.

Cash flow

The Group generated cash of £0.03 million from operations (2014: cash used £0.10 million). The Group has a £1 million trade finance facility with HSBC Bank plc of which £0.16 million was drawn down as at 31 December 2015 (2014: £0.15 million).

The Group had net cash in the bank of £0.12 million at the year-end (2014: £0.59 million), with trade receivables of £0.72 million (2014: £1.27 million) and continues to work comfortably within its banking facilities.

Outlook

The results for 2015 reflect the continued investment phases for both our d_2w and d_2p technologies, and we have now set a much lower operating cost basis for the business going forward. The business is transitioning away from product development activities that required capital for long-term returns and is now moving towards a stronger focus on shorter-term commercialisation and sales opportunities.

Sales for the first quarter of 2016 are 8% higher than for the same period last year, and on a conservative basis for the full year the Board expects to achieve moderate sales growth whilst maintaining gross margins. In addition, the Board expects operating costs for the full year 2016 to be approximately £750,000 lower than 2015.

The Board considers the longer term sales prospects for both d_2p and d_2w as being positive as a result of the new d_2p technologies being capable of commercialisation, and for d_2w, where there is enforcement of legislative changes.

The Group has been working for some time on a number of high-profile projects for both its technologies and the Board believe these are progressing well, although it should be noted that no certainty of success can be provided at this stage.

I am pleased to confirm that the Group has sufficient working capital to execute its strategy and to complete its short to medium-term objectives. As an operationally geared business, now running with a significantly lower cost base, the Board looks forward to a financially more successful year in 2016.

Michael Laurier
Chief Executive Officer
19 April 2016

Global Network

Symphony's sixth distributor-conference was hailed as a great success by distributors from 26 countries in Europe, Africa, Asia, Latin America and Australasia who gathered in London for the event at the end of September.

Over two days delegates were introduced to new and exciting applications from our d_2p range of technologies.

Antifungal and antimicrobial applications are increasingly important to reduce the need for preservatives in foods and to protect plastic packaging for raw poultry against dangerous organisms like E-coli, Campylobacter and Salmonella. Fears that many types of bacteria are becoming resistant to antibiotics means that they have to be dealt with before they get into our bodies.

During the conference some of the Distributors were interviewed by a reporter from the BBC about their experience of d_2w (biodegradable plastic) in their countries. Delegates also took the opportunity to share their own projects and to talk about the newest applications for d_2p technology in their countries, with products as diverse as insoles for trainers, to plastic cosmetic containers.

There were also success stories for d_2w controlled-life plastic. For example a company called Air Drop Box, based in the United Kingdom, produce containers for delivering humanitarian aid and logistics support in areas where there is no transport infrastructure. 98.5% of their container is biodegradable including the parachute, which is made with d_2w technology.

Another notable success story came from France where Polytek Innovations have developed a degradable paintball sphere, which is used to contain the water-based paint used in Paintball games. The distinct advantage of making the paint balls with d_2w technology is that they can be used in all seasons and will disintegrate within 6 months of use, which greatly reduces their environmental impact.

Symphony maintains strong links with research and laboratory facilities in the UK and around the world, in addition to our own research and development team who are continually working on innovative additives and finished products.

Corporate Social Responsibility

We strongly believe in the environmental and health benefits of the technologies we offer.

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 requirements. This translates in practice to striving for excellence in operational performance and support for our customers, stakeholders and staff.

Symphony is accredited to the environmental standard ISO 14001 and ISO 9001 for quality management and environmental responsibility. We carefully monitor the energy we consume as a company and the waste that we generate. We are mindful of our carbon footprint and committed to reducing our energy requirements and waste year on year.

Our offices and laboratories use low-energy lighting and all products and equipment are responsibly sourced. We are also committed to recycling and have a member of staff to monitor our recycling activities. We follow the principles of reduce, reuse and recycle whenever practicable.

We work wherever possible with paperless administration and use the best-practice document management systems, utilising electronic communication and video conferencing to reduce postal costs and the need for business travel. Our global production facilities also minimise the need to transport supplies around the world.

"As an organisation we are dedicated to creating a sustainable future by finding low cost solutions to the world's environmental and public health problems."

We regularly support local charities and this year held events to support Mencap and Breast Cancer UK. We are also developing an education section on our website with free downloadable lesson plans on key environmental issues.

We provide training opportunities in the form of work placements for students in the Laboratory, Sales and Administration departments. We also support overseas students with work experience, and this year hosted students from Germany and Uzbekistan.

Finally, we recognise that the most valuable assets in our business are our staff. We therefore do our very best to provide a nurturing business environment, supporting staff with training and encouraging our employees and distributors to develop and update their knowledge and skills through training courses, webinars and conferences.

Board of Directors

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

BACKGROUND AND EXPERIENCE

Nirj 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 to 1997 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 was a member of the UK Parliament from 1992 to 1997 and was a member of the Trade and Industry Select Committee and the Environment Select Committee of the House of Commons. He is Commercial Director and Deputy Chairman of the plc, and Chairman of its subsidiary companies since 2007. 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, dealingwith civil cases in the High Court and Court of Appeal.

3. Michael Laurier
Chief Executive Officer

BACKGROUND AND EXPERIENCE

Michael Laurier 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-seventies 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 Bristow 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. 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.

6. 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 conventional products.

A review of the business is given in the Chairman's Statement on page 4 together with the Chief Executive's Review on pages 6 and 7. Future developments are summarised in the Outlook section of the Chief Executive's Review on page 7.

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	2015	2014	Method of calculation
Sales d_2w (£'000)	6,365	6,352	Sales revenue solely of d_2w additives and products.
Gross profit margin (%)	46%	50%	The ratio of gross profit to sales.
Number of distributors	74	77	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 having 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
19 April 2016

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2015.

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 £3,332,000 (2014: loss £305,000).

The Directors are not able to 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.

Directors' Report continued

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 2016 have been in line with these forecasts. The Group has reduced its cost base and anticipates sales growth from the launch of new products in the forthcoming year after the significant investments made in previous years. 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
19 April 2016

DIRECTORS' EMOLUMENTS

	Basic salary £'000	Benefits £'000	Pension £'000	2015 Total Emoluments £'000	2014 Total Emoluments £'000
N Deva	**36**	**-**	**-**	**36**	36
M Laurier	**170**	**8**	**80**	**258**	260
I Bristow	**171**	**6**	**-**	**177**	176
M Stephen	**171**	**12**	**-**	**183**	183
M F Stephens (resigned from the Board 26 June 2015)	**83**	**5**	**-**	**88**	185
N Clavel	**29**	**-**	**-**	**29**	29
S Robinson	**30**	**-**	**-**	**30**	1
	690	**31**	**80**	**801**	870

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 2015	At 1 January 2015
N Deva	**363,925**	313,925
M Laurier	**22,952,317**	22,802,317
I Bristow	**1,163,925**	1,063,925
M Stephen	**933,998**	782,998
N Clavel	**550,000**	500,000
S Robinson	**10,912,449**	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
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
S Robinson	293,260	15.000	09 June 2015	09 June 2018

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 2015 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, the parent Company statement of changes in equity, the parent Company cash flow statement 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 13, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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

19 April 2016

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Revenue	5		**6,365**		6,352
Cost of sales			**(3,437)**		(3,191)
Gross profit			**2,928**		3,161
Distribution costs			**(221)**		(165)
Administrative expenses – recurring	6	**(3,679)**		(3,261)	
Administrative expenses – non-recurring	6	**(1,313)**		–	
Administrative expenses	6		**(4,992)**		(3,261)
Operating loss – before non-recurring items		**(972)**		(265)	
Operating loss – non-recurring		**(1,313)**		–	
Operating loss	6		**(2,285)**		(265)
Finance income	8		**–**		1
Finance costs	8		**(16)**		(126)
Loss for the year before tax			**(2,301)**		(390)
Taxation	9		**(1,031)**		85
Loss for the year			**(3,332)**		(305)
Total comprehensive income for the year			**(3,332)**		(305)
Basic loss per share	10		**(2.26)p**		(0.23)p
Diluted loss per share	10		**(2.26)p**		(0.23)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.

BUSINESS REVIEW
CORPORATE GOVERNANCE
FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

as at 31 December 2015

	Note	2015 £'000	2014 £'000
Assets			
Non-current			
Property, plant and equipment	11	**397**	372
Intangible assets	12	**73**	1,169
Deferred income tax asset	9a	**–**	1,142
		470	2,683
Current			
Inventories	15	**477**	576
Trade and other receivables	16	**852**	1,425
Cash and cash equivalents	17	**122**	938
		1,451	2,939
Total assets		**1,921**	5,622
Equity			
Equity attributable to shareholders of Symphony Environmental Technologies plc			
Ordinary shares	18	**1,499**	1,446
Share premium	18	**3,533**	3,077
Retained earnings	18	**(4,139)**	(807)
Total equity		**893**	3,716
Liabilities			
Non-current			
Interest bearing loans and borrowings	20	**6**	–
		6	–
Current			
Interest bearing loans and borrowings	20	**170**	1,153
Trade and other payables	19	**852**	753
		1,022	1,906
Total liabilities		**1,028**	1,906
Total equity and liabilities		**1,921**	5,622

These financial statements were approved by the Board of Directors on 19 April 2016 and authorised for issue on 19 April 2016. They were signed on its behalf by:

I Bristow FCCA
Finance Director

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

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

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 2015				
Balance at 1 January 2015	**1,446**	**3,077**	**(807)**	**3,716**
Issue of share capital	**53**	**456**	**–**	**509**
Transactions with owners	**53**	**456**	**–**	**509**
Loss and total comprehensive income for the year	**–**	**–**	**(3,332)**	**(3,332)**
Balance at 31 December 2015	**1,499**	**3,533**	**(4,139)**	**893**
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

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

Consolidated Cash Flow Statement

as at 31 December 2015

	Note	2015 £'000	2014 £'000
Operating activities			
Net cash used in operations	21	**(80)**	(180)
Tax received – R&D tax credits		**111**	85
Net cash generated/(used) in operating activities		**31**	(95)
Investing activities			
Additions to property, plant and equipment		**(141)**	(77)
Additions to intangible assets		**(212)**	(261)
Net cash used in investing activities		**(353)**	(338)
Financing activities			
Repayments of borrowings		**(650)**	-
Movement in working capital facility		**15**	(432)
Movement in finance lease liability		**7**	(9)
Proceeds from share issue		**509**	1,592
Interest paid		**(16)**	(126)
Net cash generated from financing activities		**(135)**	1,025
Net change in cash and cash equivalents		**(457)**	592
Cash and cash equivalents, beginning of year		**585**	29
Foreign exchange losses		**(11)**	(36)
Cash and cash equivalents, end of year		**117**	585

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

	Note	2015 £'000	2014 £'000
Loans and receivables:			
Cash at bank and in hand	17	**122**	938
Financial liabilities measured at amortised cost:			
Bank overdraft	20	**(5)**	(353)
Cash and cash equivalents, end of year		**117**	585

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

Notes to the Annual Report and Accounts

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 03676824). 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 financial statements have been prepared under the historical cost convention except as started in the accounting policies. Financial information is presented in pounds sterling unless otherwise stated, and amounts are express in thousands (£'000) and rounded accordingly.

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 2016 have been in line with these forecasts. The Group has reduced its cost base and anticipates sales growth from the launch of new products in the forthcoming year after the significant investments made in previous years. 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.

Segment reporting

There are currently three operating segments.

"Plastics Sales" generate and maintain revenues relating to plastic additives, masterbatches and finished products. "Plastics R&D" include 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. The buyer may be one of the Group's distributors or an end customer. 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;

2 Summary of significant accounting policies continued

b) the amount of revenue can be measured reliably 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. 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. All amounts disclosed within note 12 in development costs relate to plastic masterbatches and other additives.

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.

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 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, insofar as Group companies are entitled to UK tax credits on qualifying research and development expenditure, such amounts are recognised when received and presented in the income tax line within profit and loss.

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.

2 Summary of significant accounting policies continued

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 trade and other receivables 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.

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.

Classification as debt or equity
The Group has share warrants in issue which have been accounted for as equity instruments, as the substance of the contractual arrangement is such that the warrants evidence a residual interest in the assets of the Group after deducting all liabilities.

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"
The IASB have released IFRS 9 following completion of the project to replace IAS 39 "Financial Instruments: Recognition and Measurement". The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 and has not yet been endorsed by the European Union.

IFRS 15, "Revenue from Contracts with Customers"
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 2018. This standard has not yet been endorsed by the European Union.

2 Summary of significant accounting policies continued

IFRS 16 "Leases"

The IASB has published IFRS 16 "Leases", completing its long-running project on lease accounting. The new Standard, which is effective for accounting periods beginning on or after 1 January 2019, requires lessees to account for leases "on-balance sheet" by recognised a "right-of-use" asset and a lease liability. It will affect most companies that report under IFRS and are involving in leasing, and will have a substantial impact on the financial statements of lessees of property and high value equipment. This standard has not yet been endorsed by the European Union.

The Group's management have yet to assess the impact of these new standards in detail. Note 22 details the future minimum lease payments that would be reclassified were IFRS 16 to apply to the current financial period.

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:

	2015 £'000	2014 £'000
Financial assets:		
Cash and cash equivalents	122	938
Loans and receivables	727	1,304
	849	2,242
Financial liabilities:		
Financial liabilities measured at amortised cost	576	1,788
	576	1,788

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 2015 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	775	1	161	5	942
Sixty one days to three months	–	–	–	–	–
Four months to six months	–	1	–	–	1
Seven months to one year	–	2	–	–	2
One year to three years	–	6	–	–	6
	775	10	161	5	951

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

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

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 2015 is summarised as follows:

	Fixed £'000	**Variable £'000**	**Zero £'000**	**Total £'000**
Cash and cash equivalents	**–**	**122**	**–**	**122**
Trade receivables	**–**	**–**	**724**	**724**
Other debtors	**–**	**–**	**3**	**3**
	–	**122**	**727**	**849**
Trade payables	**–**	**–**	**(400)**	**(400)**
Other payables	**–**	**–**	**(77)**	**(77)**
Bank overdraft	**–**	**(5)**	**–**	**(5)**
Lease purchase	**(10)**	**–**	**–**	**(10)**
Other loans	**–**	**(161)**	**–**	**(161)**
	(10)	**(44)**	**250**	**196**
Sensitivity: increase in interest rates of 5%	**–**	**(2)**	**–**	**(2)**
Sensitivity: decrease in interest rates of 1%	**–**	**–**	**–**	**–**

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
Other debtors	12	–	18	30
	12	938	1,292	2,242
Trade payables	–	–	(464)	(464)
Other payables	–	–	(71)	(71)
Bank overdraft	–	(353)	–	(353)
Lease purchase	(3)	–	–	(3)
Other loans	(650)	(147)	–	(797)
	(641)	438	757	554
Sensitivity: increase in interest rates of 5%	–	(22)	–	(22)
Sensitivity: decrease in interest rates of 1%	–	4	–	4

Sensitivity shows the effect on equity profit and loss.

Notes to the Annual Report and Accounts continued

3 Financial risk management continued

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 2015 £'000	Currency balance 2015 '000	Sterling 2014 £'000	Currency balance 2014 '000
Financial assets	Euro	**131**	**€178**	443	€570
Financial liabilities	Euro	**(190)**	**€(258)**	(285)	€(367)
Net balance	Euro	**(59)**	**€(80)**	158	€203
Effect of 10% Sterling increase		**5**		(14)	
Effect of 10% Sterling decrease		**(6)**		18	
Financial assets	USD	**769**	**$1,130**	985	$1,535
Financial liabilities	USD	**(213)**	**$(312)**	(577)	$(899)
Net balance	USD	**556**	**$818**	408	$636
Effect of 10% Sterling increase		**(50)**		(37)	
Effect of 10% Sterling decrease		**61**		45	

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:

	2015 £'000	2014 £'000
Loans and receivables:		
Trade receivables	**724**	1,274
Finance lease receivables	**–**	12
Cash and cash equivalents	**122**	938
	846	2,224

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 75% (2014: 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 £nil (2014: £70,836) were written off.

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.

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. Material changes to the estimates and judgements made in the preparation of the interim statements are detailed in the notes.

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. In particular, estimates are made in respect to future economic benefits based on market judgements at the time and over attributable internal staff time allocated to each product.

Recoverability of capitalised development cost

Judgements and estimates relating to capitalised development costs are detailed in note 12. In particular, estimates are continued to be made in respect to future economic benefits and any changes to market conditions.

Share option judgements

Judgements and estimates relating to share-based payment charges are detailed in note 2. Estimates are made on the fair value of the option using the Black-Scholes model.

Going concern

Judgements and estimates relating to going concern are detailed in note 2. In particular, estimates are made as to future revenues expectations which derive cash flow projections.

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. In particular, estimates are made as to future revenues which derive profit and loss projections.

Functional currency

A significant proportion of the revenues generated by entities within the group are denominated in United States Dollars (USD). The functional currency of the Company and of all individual entities within the Group has been determined to be Sterling. Identification of functional currencies requires a judgement as to the currency of the primary economic environment in which the companies of the Group operate. This is based on analysis of the economic environment and cash flows of the subsidiaries of the Group, which has determined, based upon the currency of funding and operating costs, that the functional currency continues to be Sterling.

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 2015 are as follows:

Business segments Twelve months to 31 December 2015	Plastics Sales £'000	Plastics R&D £'000	Recycling Tech. £'000	Group £'000
Segment revenues	6,365	–	–	6,365
Apportioned costs	(6,715)	(521)	(5)	(7,241)
EBITDA	(350)	(521)	(5)	(876)
Depreciation and amortisation	(86)	(44)	–	(130)
Impairment of intangible assets	–	(1,234)	(45)	(1,279)
Interest	(16)	–	–	(16)
Taxation	(1,142)	111	–	(1,031)
Profit/(loss) for the year	(1,594)	(1,688)	(50)	(3,332)

Notes to the Annual Report and Accounts continued

5 Segmental information continued

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

Business segments Twelve 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	(5,874)	(406)	(219)	(6,499)
EBITDA	478	(406)	(219)	(147)
Depreciation and amortisation	(93)	(25)	–	(118)
Interest	(125)	–	–	(125)
Taxation	–	69	16	85
Profit/(loss) for the year	260	(362)	(203)	(305)

Revenues stated are from external customers.

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

There has been no material change in total assets other than in the ordinary course of business other than for an impairment of intangible assets, details of which are given in note 12, and an impairment of deferred tax assets, details of which are given in note 9a.

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

Segmental liabilities comprise trade and other payables arising from trading operations.

The segment assets and liabilities at 31 December 2015 and capital expenditure for the year then ended are as follows:

£'000	**Plastics Sales and Plastics R&D**	**Recycling Tech.**	**Group**
Assets	**1,921**	**–**	**1,921**
Liabilities	**(1,028)**	**–**	**(1,028)**
Capital expenditure	**332**	**21**	**353**
Depreciation and amortisation	**130**	**–**	**130**

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	5,582	40	5,622
Liabilities	(1,906)	–	(1,906)
Capital expenditure	77	24	101
Depreciation and amortisation	118	–	118

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	Revenue 2015 £'000	Non- current assets 2015 £'000	Revenue 2014 £'000	Non- current assets 2014 £'000
UK	238	470	274	1,541
Europe	714	-	1,131	-
Americas	3,174	-	3,060	-
Other	2,239	-	1,887	-
Total	**6,365**	**470**	**6,352**	**1,541**

Major customers

There were no customers that accounted for greater than 10% of total Group revenues for 2015 (2014: one customers). In 2014 one customer accounted for £852,000, or 13% of the total group revenues.

6 Operating loss

The operating loss is stated after charging:

	2015 £'000	2014 £'000
Non-recurring items:		
Impairment of intangible assets	1,279	-
Redundancy costs	34	-
Depreciation	101	89
Amortisation	29	29
Loss on disposal of property, plant and equipment	14	10
Research and development expenditure not capitalised	521	406
Operating lease rentals:		
Land and buildings	109	93
Plant and equipment	5	5
Fees payable to the Company's auditor:		
Audit related services:		
Audit of the financial statements	18	11
Audit of the financial statements of the Company's subsidiaries	36	26
Non-audit related services:		
Other assurance related services	4	1
Tax compliant services	10	7
Net foreign exchange gain	(31)	(10)

Non-recurring items within administrative expenses total £1,313,000 for 2015 (2014: £nil) and include an impairment charge of £1,313,000 against intangible assets, details of which are given in note 12.

Notes to the Annual Report and Accounts continued

7 Employee benefit expense

	2015 £'000	2014 £'000
Wages and salaries	**1,612**	1,614
Social security costs	**205**	198
Other pension costs	**97**	75
	1,914	1,887

Average number of people employed:

	2015 £'000	2014 £'000
Testing and technical	**5**	4
Selling	**6**	8
Administration	**10**	8
Management	**7**	6
Marketing	**1**	–
Total average headcount	**29**	26

Remuneration in respect of the Directors was as follows:

	2015 £'000	2014 £'000
Emoluments	**721**	805
Pension contributions	**80**	65
	801	870

Key management remuneration:

	2015 £'000	2014 £'000
Short-term employee benefits	**721**	805
Post-employment benefits	**80**	65
	801	870

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

	2015 £'000	2014 £'000
Interest income:		
Finance lease interest	**–**	1
Total finance income	**–**	1
Interest expense:		
Bank borrowings	**5**	4
Other interest	**11**	121
Finance charges	**–**	1
Total finance costs	**16**	126
Net finance costs	**16**	125

9 Taxation

	2015 £'000	2014 £'000
Net deferred tax (see note 9a)	(1,142)	–
R&D tax credit	111	85
Total income tax (charge)/credit	**(1,031)**	**85**

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 20% (2014: 21%). The change in the rate of standard corporation tax is due the rates being changed by UK Government legislation.

The differences in tax assessed against the standard rate of corporation tax are explained as follows:

	2015 £'000	2014 £'000
Loss for the year before tax	(2,301)	(390)
Tax calculated by rate of tax on the result	(460)	(84)
Effective rate for year at 20.25% (3m @ 21% and 9m @ 20%)	(6)	(2)
Expenses not deductible for tax purposes	5	4
Intangible impairment provision	259	–
R & D tax relief	(11)	28
Tax losses carried forward	213	64
Sundry items	–	(10)
Movement in deferred income tax asset (see note 9a)	1,142	–
R&D tax credit	(111)	(85)
Total income tax charge/(credit)	**1,031**	**(85)**

9a Deferred income tax asset

	2015 £'000	2014 £'000
Deferred income tax asset brought forward	1,142	1,142
Impairment of deferred income tax asset	(1,142)	–
Deferred income tax asset carried forward	**–**	**1,142**

The deferred tax asset relates to tax losses. There are tax losses of approximately £14,500,000 (2014: £13,400,000). These tax losses have no expiry date.

Of these tax losses, a £1,142,000 deferred tax adjustment has been recognised in this year's accounts (2014: nil). The deferred tax asset has been fully impaired resulting in a total asset recognised of £nil (2014: £1,142,000). There is a total potential tax asset of £2,610,000 using a rate of 18%, being the corporation tax rate UK Parliament has currently set.

The recognition of the deferred tax asset is based on sensitizing 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. Due to performance over the last year, the Group has carried out a strategic review of its product developments and operating costs which has resulted in an impairment provision of £1,142,000 being made against the deferred income tax asset (2014: £nil). This has arisen due to management reassessing the probability of sufficiently certain future taxable profits arising following the strategic review.

Notes to the Annual Report and Accounts continued

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	2015	2014
Loss attributable to equity holders of the Company	£(3,332,000)	£(305,000)
Weighted average number of ordinary shares in issue	147,616,172	130,255,952
Basic loss per share	**(2.26) pence**	(0.23) pence
Dilutive effect of weighted average options	–	–
Total of weighted average shares together with dilutive effect of weighted options	147,616,172	130,255,952
Diluted loss per share	**(2.26) pence**	(0.23) pence

No dividends were paid for the year ended 31 December 2015 (2014: £nil). The effect of options in 2015 and 2014 are anti-dilutive.

24,756,500 options were outstanding at the end of the year which may become dilutive in future years.

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 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 1 January 2015						
Cost	**374**	**–**	**285**	**105**	**188**	**952**
Accumulated depreciation	**(221)**	**–**	**(109)**	**(86)**	**(164)**	**(580)**
Net book amount	**153**	**–**	**176**	**19**	**24**	**372**
Year ended 31 December 2015						
Opening net book amount	**153**	**–**	**176**	**19**	**24**	**372**
Additions	**81**	**–**	**8**	**17**	**35**	**141**
Disposals	**(26)**	**–**	**(1)**	**(20)**	**(100)**	**(147)**
Depreciation charge	**(44)**	**–**	**(31)**	**(10)**	**(16)**	**(101)**
Eliminated on disposal	**14**	**–**	**–**	**18**	**100**	**132**
Closing net book amount	**178**	**–**	**152**	**24**	**43**	**397**
At 31 December 2015						
Cost	**429**	**–**	**292**	**102**	**123**	**946**
Accumulated depreciation	**(251)**	**–**	**(140)**	**(78)**	**(80)**	**(549)**
Net book amount	**178**	**–**	**152**	**24**	**43**	**397**

Included within net book value of motor vehicles, plant and machinery, and office equipment is £15,000 (2014: £2,000) 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 (2014: £3,000).

12 Intangible assets

	Development costs £'000	Trademarks £'000	Total £'000
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 1 January 2015			
Cost	**1,783**	**87**	**1,870**
Accumulated amortisation	**(164)**	**(43)**	**(207)**
Accumulated impairment	**(494)**	**–**	**(494)**
Net book amount	**1,125**	**44**	**1,169**
Year ended 31 December 2015			
Opening net book amount	**1,125**	**44**	**1,169**
Additions	**189**	**23**	**212**
Impairment charge	**(1,234)**	**(45)**	**(1,279)**
Amortisation charge	**(24)**	**(5)**	**(29)**
Closing net book amount	**56**	**17**	**73**
At 31 December 2015			
Cost	**1,972**	**110**	**2,082**
Accumulated amortisation	**(188)**	**(48)**	**(236)**
Accumulated impairment	**(1,728)**	**(45)**	**(1,773)**
Net book amount	**56**	**17**	**73**

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).

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, cashflow forecasts are used and these include significant estimates in respect to sales forecasts and future foreign exchange rates.

Due to performance over the last year, the Company and Group has carried out a strategic review of its product developments and operating costs which has resulted in an impairment provision of £1,233,578 being made against development costs (2014: £nil). This is due to uncertainty over the timing of future revenues from products still in development following the strategic review. The amount remaining of £56,000 is based on the current value in use of revenue generating products.

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	2015 £'000	2014 £'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 the Group has no representation on the Board of Directors of the investee, does not participate in policy making processes, and does not receive key financial or management information. A full impairment had been made against this in 2012 due to limited availability of financial information.

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

	2015 £'000	2014 £'000
Finished goods and goods for resale	**477**	576

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £3,297,000 (2014: £3,200,000). There is a provision of £90,000 for the impairment of inventories (2014: £10,000).

There is no collateral on the above amounts.

16 Trade and other receivables

	2015 £'000	2014 £'000
Loans and receivables:		
Trade receivables	**724**	1,274
Receivables under finance leases	**–**	12
Other debtors	**3**	18
VAT	**37**	59
Prepayments	**88**	62
	852	1,425

The Directors consider that the carrying value of trade and other receivables approximates to their fair values. There is a provision of £202,000 for the impairment of receivables (2014: £117,000). 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 2015 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 2015 trade receivables of £nil (2014: £137,000) were past due and not impaired. The ageing analysis of these trade receivables is as follows:

	2015 £'000	2014 £'000
More than three months but less than six months	**–**	121
More than six months but not more than one year	**–**	16
	–	137

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 £nil as of 31 December 2015 (2014: £12,000).

The receivables under finance leases for 2015 are as follows:

£'000	Total future payments	Unearned interest income	Present value
Not later than one year	**–**	**–**	**–**
As at 31 December 2015	**–**	**–**	**–**

The receivables under finance leases for 2014 were 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 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 and reflecting substantially all of the fair value of the asset.

17 Cash and cash equivalents

	2015 £'000	2014 £'000
Loans and receivables:		
Cash at bank and in hand	**122**	938

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 2014	128,119,377	1,281	1,650	(502)	2,429
Loss for the year	–	–	–	(305)	(267)
Proceeds from shares issued	16,450,000	165	1,427	–	1,592
At 31 December 2014	144,569,377	1,446	3,077	(807)	3,754
At 1 January 2015	**144,569,377**	**1,446**	**3,077**	**(807)**	**3,716**
Loss for the year	**–**	**–**	**–**	**(3,332)**	**(3,332)**
Proceeds from shares issued	**5,370,000**	**53**	**456**	**–**	**509**
At 31 December 2015	**149,939,377**	**1,499**	**3,533**	**(4,139)**	**893**

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

Date	Ordinary shares Number	Details	Consideration £	Premium £
12 May 2015	220,000	Exercise of options	6,050	3,850
20 May 2015	50,000	Exercise of options	1,188	688
09 June 2015	5,000,000	Placing	500,000	450,000
22 June 2015	100,000	Exercise of options	2,375	1,375

Share options and warrants
As at 31 December 2015 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 2015 there were 2,805,000 staff options outstanding. No staff options were issued in 2015.

On 09 June 2015 the Group granted 2,200,000 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 293,260 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:

	Number	2015 Weighted average exercise price £	Number	2014 Weighted average exercise price £
Outstanding at 1 January	**23,126,500**	**0.09**	17,626,500	0.06
Granted	**2,800,000**	**0.14**	6,700,000	0.15
Exercised	**(370,000)**	**0.03**	(700,000)	0.02
Forfeited/lapsed	**(800,000)**	**0.12**	(500,000)	0.05
Outstanding at 31 December	**27,756,500**	**0.09**	23,126,500	0.09

The weighted average share price at the date options were exercised was 9p (2014: 9p).

The number of share options and warrants exercisable at 31 December 2015 was 27,756,500 (2014: 23,126,500). The weighted average exercise price of those shares exercisable was 9p (2014: 9p).

The weighted average option contractual life is eight years (2014: eight years) and the range of exercise prices is 2.375p to 15p (2014: 2.375p to 15p).

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 (2014: £nil), as based upon the assumptions set out above, management consider the potential charge to be immaterial.

19 Trade and other payables

	2015 £'000	2014 £'000
Financial liabilities measured at amortised cost:		
Trade payables	**400**	464
Social security and other taxes	**77**	71
Accruals and deferred income	**375**	218
	852	753

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

20 Interest bearing loans and borrowings

Non-current	2015 £'000	2014 £'000
Finance lease liabilities	**6**	–
	6	–
Current		
Financial liabilities measured at amortised cost:		
Bank overdraft	**5**	353
Other loans	**161**	797
Finance lease liabilities	**4**	3
	170	1,153

The bank overdraft of £5,000 (2014: £353,000) is included within the cashflow statement within cash and cash equivalents.

Other loans include:

An amount due relating to the invoice financing facility totalling £161,000 (2014: £147,000). Interest is charged at 2.96% over HSBC Bank plc base rate per annum. Loans of £150,000 from Michelle Laurier, spouse of Michael Laurier, and £500,000 from an unconnected individual were repaid in January 2015, interest charged on these loans was 2% per month (see note 23), and 12% per annum respectively.

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

	Gross 2015 £'000	Gross 2014 £'000	Net 2015 £'000	Net 2014 £'000
Amounts payable within one year	4	3	4	3
Amounts payable between one and two years	4	–	4	–
Amounts payable between two and five years	2	–	2	–
	10	3	10	3

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

	2015 £'000	2014 £'000
Loss after tax	(3,332)	(305)
Adjustments for:		
Depreciation	101	89
Amortisation	29	29
Impairment of intangible assets	1,279	–
Loss on disposal of tangible assets	14	10
Tax credit	(111)	(85)
Impairment of deferred tax asset	1,142	–
Interest expense	16	126
Changes in working capital:		
Inventories	99	(47)
Trade and other receivables	584	(24)
Trade and other payables	99	27
Cash used in operations	(80)	(180)

22 Commitments

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

	2015 £'000	2014 £'000
No later than one year	137	128
Later than one year and no later than five years	439	471
Greater than five years	–	29
	576	628

23 Related party transactions

The loan to the company from Michelle Laurier, spouse of Michael Laurier, was fully repaid in January 2015. At 31 December 2015 the balance outstanding on the loan was £nil (2014: £150,000).

24 Post balance sheet events

There have been no significant post balance sheet events.

Notes to the Annual Report and Accounts continued

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 (the ratio of net debt over debt plus equity).

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 2015 and 2014 were as follows:

	2015 £'000	2014 £'000
Total borrowings	170	1,153
Cash and cash equivalents	(122)	(938)
Net debt	**48**	215
Total equity	893	3,716
Borrowings	170	1,153
Overall financing	**1,063**	4,869
Gearing ratio	**5%**	4%

The Group has kept a low gearing ratio which is suitable for 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 (2014: £nil).

The following pages contain the balance sheet and accompanying notes for the parent Company prepared under FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company Balance Sheet

at 31 December 2015

Company number 03676824

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	28	**3**	4
Investments	29	**1,150**	2,150
		1,153	2,154
Current assets			
Debtors	30	**1,007**	3,301
Cash at bank and in hand		**5**	921
		1,012	4,222
Creditors: amounts falling due within one year	31	**63**	593
Net current assets		**949**	3,629
Total assets less current liabilities		**2,102**	5,783
Capital and reserves			
Share capital	33	**1,499**	1,446
Share premium account	34	**3,533**	3,077
Profit and loss account	34	**(2,930)**	1,260
		2,102	5,783

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 2015.

These financial statements were approved by the Directors on 19 April 2016 and are signed on their behalf by:

I Bristow FCCA
Finance Director

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

Company Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the year to 31 December 2015				
Balance at 1 January 2015	**1,446**	**3,077**	**1,260**	**5,783**
Issue of share capital	**53**	**456**	**–**	**509**
Transactions with owners	**53**	**456**	**–**	**509**
Loss and total comprehensive income for the year	**–**	**–**	**(4,190)**	**(4,190)**
Balance at 31 December 2015	**1,499**	**3,533**	**(2,930)**	**2,102**
For the year to 31 December 2014				
Balance at 1 January 2014	1,281	1,650	1,182	4,113
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	–	–	78	78
Balance at 31 December 2014	1,446	3,077	1,260	5,783

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

Company Cash Flow Statement

for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Operating activities	36	**(1,091)**	(729)
Adjustments for:			
Intra-group interest receivable		**168**	109
Net cash used in operating activities		**(923)**	(620)
Financing activities			
Repayments of borrowings		**(500)**	–
Proceeds from share issue		**509**	1,592
Interest paid		**(2)**	(60)
Net cash generated in financing activities		**7**	1,532
Net change in cash and cash equivalents		**(916)**	912
Cash and cash equivalents, beginning of year		**921**	9
Cash and cash equivalents, end of year		**5**	921

The cash and cash equivalents are represented by cash at bank and in hand.

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

Notes to the Company Balance Sheet

27 Principal accounting policies

Basis of accounting

Symphony Environmental Technologies plc ("The Company"), is a public limited company. It is incorporated and domiciled in England (Company number 03676824). 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.

The principal activity of the Company is to hold investments in subsidiaries which develop and supply environmental plastic additives and products, and develop waste to value systems.

The financial statements have been prepared in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

This is the first year in which the financial statements have been prepared under FRS 102. There have been no adjustments required as a result of the transition.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss in these financial statements. The results for the year are given in note 34.

The financial statements are presented in Sterling, the functional and presentational currency of the Company and are expressed in round thousands unless otherwise stated (£'000s).

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, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

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 as they are incurred.

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, insofar as Group companies are entitled to UK tax credits on qualifying research and development expenditure, such amounts are recognised when received and presented in the income tax line within profit and loss.

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 profit.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

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.

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.

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.

Notes to the Company Balance Sheet continued

27 Principal accounting policies continued

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.

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.

Classification as debt or equity

The Group has share warrants in issue which have been accounted for as equity instruments, as the substance of the contractual arrangement is such that the warrants evidence a residual interest in the assets of the Group after deducting all liabilities.

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.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Judgements - impairment

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. Details of assumptions made and impairments recognised in the period are given in notes 29 and 30.

28 Tangible fixed assets

	Motor vehicles £'000	Total £'000
Cost		
At 1 January 2015	35	35
At 31 December 2015	35	35
Depreciation		
At 1 January 2015	31	31
Charge for the year	1	1
At 31 December 2015	32	32
Net book value		
At 31 December 2015	**3**	**3**
At 31 December 2014	4	4

Included within the net book value of £3,000 is £nil (2014: £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 (2014: £nil).

29 Investments

Shares in Group undertakings	2015 £'000	2014 £'000
At beginning of the year	2,150	2,150
Impairment	(1,000)	–
At end of the year	1,150	2,150

Group undertakings are detailed in note 13.

An impairment provision of £1,000,000 has been made against the Company's investment in Symphony Environmental Limited (2014: £nil). See Note 30 below.

30 Debtors

	2015 £'000	2014 £'000
Amounts owed by Group undertakings	1,000	3,286
VAT	5	5
Other debtors	–	5
Prepayments	2	5
	1,007	3,301

An impairment provision of £3,394,000 has been made against intra-group receivables (2014: £nil). The balance of intra-group receivables and holding investment value in subsidiary companies has been derived from a discounted cash flow projection of the Symphony Environmental Limited performance over five years using an appropriate market rate of interest.

31 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	7	21
Loans	–	500
Accruals	56	72
	63	593

32 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 2015 the net indebtedness of these companies amounted to £nil (2014: £nil).

33 Share capital

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

34 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 loss for the financial year dealt with in the financial statements of the parent Company is £4,190,000 (2014: profit £78,000).

Notes to the Company Balance Sheet continued

35 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:

	2015 No.	2014 No.
Management	**3**	2

The aggregate payroll costs of the above were:	2015 £'000	2014 £'000
Wages and salaries	**95**	65
Social security costs	**10**	7
	105	72

The Company has taken advantage of the FRS 102 exemption that allows intra-Group transactions with a 100% subsidiary to not be disclosed.

There were no other related party transactions throughout the period.

36 Net cash used in operations

	2015 £'000	2014 £'000
(Loss)/profit after tax	**(4,190)**	78
Adjustments for:		
Depreciation	**1**	2
Disposal of tangible fixed assets	**–**	5
Impairment of investments	**1,000**	–
Impairment of group company balances	**3,394**	–
Interest expense	**2**	60
Intra-group interest	**(168)**	(109)
Changes in working capital:		
Group company balances	**(1,108)**	(768)
Trade and other receivables	**8**	(5)
Trade and other payables	**(30)**	24
Cash used in operations	**(1,091)**	(729)

Company Information

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M N Laurier
Chief Executive Officer

I Bristow FCCA
Finance Director

M Stephen LL.M
Commercial Director & Deputy Chairman

N Clavel
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