Company Registration No. 05660908

ECOVISTA PLC

Annual report and financial statements
for the year ended 31 August 2018

ECOVISTA PLC

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ECOVISTA PLC

Company Information

Directors:	Ken Jones Louise Hardwidge David Barnett (Chairman) Sarah Horsnell
Secretary:	Karen Cope
Company Number:	05660908 (England and Wales)
Registered Office:	Millars 3 Southmill Road Bishop's Stortford Hertfordshire CM23 3DH
Independent Auditors:	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Principal Bankers:	NatWest 94 Moorgate London EC2M 6UR
Corporate Advisor:	Alexander David Securities 49 Queen Victoria Street London EC4N 4SA
Registrar:	Share Registrars Ltd The Courtyard 17 West Street Farnham, Surrey GU9 7DR

ECOVISTA PLC

Chairman's Statement
For the year ended 31 August 2018

I am pleased to present to you my first chairman's statement since my appointment for the year ended 31 August 2018.

Overview

The financial statements for the year to 31 August 2018 showed a loss of £96,379 comparable to the loss for the year ended 31 August 2017 of £887,306.

The group's properties were valued at year end. This resulted in a revaluation of £142,075 to the properties.

Since the end of the financial period, we have seen the development of 100 Rye Street completed and it will go onto the market next month with an asking price of £1,750,000. We have successfully gained planning for 9 houses on our option site at Start Hill.

During the year the company raised £299,950 in new equity, and £550,000 in convertible loan notes showing the strong commitment from new investors. This has strengthened our financial position, aided the completion of the property investments we targeted for this year and has helped increase the net asset value (NAV) of the group from £1,182,982 to £1,390,973 for the period to 31 August 2018.

The board remains committed to continue to keep a tight rein on costs and low levels of leveraging.

Current operations

100 Rye Street Ltd

The new 4,380sq ft. house that has been built is close to being completed and is intended to be marketed at £1,750,000.

Start Hill Limited

Start Hill Limited owns a four-bedroom house called Marstons on 0.3 of a hectare of land and is currently rented out on an Assured Shorthold Tenancy.

Willside Limited

Willside Limited has an option to purchase a four-bedroom house, next to Marstons, within a slightly bigger plot of 0.43 hectares. The group has gained planning permission to demolish the house and build nine houses on the plot.

Cignella S.r.l.

The Cignella Estate (Cignella -- http://www.cignella.com/en/) is a resort in southern Tuscany approximately 35 minutes south of Siena. The resort comprises 18 houses and apartments, of which 13 are currently let via web based and local holiday companies to tourists mostly from the UK and Germany. The remaining 5 properties are townhouses which are yet to be completed.

At present Ecovista owns 13% of the shares in Cignella S.r.l and has an option to buy the balance of the equity for €4m. Although at current valuations this option is unlikely to be exercised

Prior Year Adjustment

A prior year adjustment has been made within the financial statements. In previous years, the properties held were accounted for as Investment Property. However, as the intended use of these properties is for subsequent resale following development, it is not considered that they meet the definition of investment properties per UK GAAP and they have been reclassified to Property, Plant and Equipment. The prior year figures have been adjusted and reclassified accordingly. Details on this can be found in note 11.

Going Concern

The auditors have commented on a material uncertainty related to going concern

The Group's current liabilities exceeded its current assets by £279,871 as at the year end. This was caused by a shorth term bridging loan secured on one of the Group's property assets. This short-term loan has subsequently been paid, although since then another short-term loan has been taken out secured on another property.

Although this type of financing causes a reportable deficit in the accounts of the company, they are all secured on property assets which are ultimately payable on the sale of the particular asset.

With a debt to equity ratio of only 30% the Group believe that enough borrowing power, if required, for the Group and subsidiary companies to continue as a going concern.

Outlook

The group has continuous opportunities available to it and is currently looking at a number of potential development sites in and around the London, Essex and Hertfordshire area.

The Directors believe that there is sustainable growth in selective property transactions in these areas.

The company intends to launch a €10,000,000 Eurobond listed on the GEM exchange in Dublin in the coming months in order to continue to fund further acquisitions in its target market and explore further opportunities in the UK property market.

The Board continues to view the year ahead with confidence.

D Barnett

Chairman

12 February 2019

Strategic Report
For the year ended 31 August 2018

The directors present their strategic report for Ecovista plc (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 August 2018.

Review of business

Review of the business is presented in the Chairman's Statement on page 2.

Key performance indicators

The board monitors the activities and performance of the group on a regular basis. The main KPI's for the group are listed as follows:

	2018	2017
	£	£
Property, plant and equipment	2,107,090	1,347,090
Net current assets / (liabilities)	(279,871)	119,331
Cash and cash equivalents	75,637	124,310
Net asset value	1,390,973	1,182,982
Debt: equity ratio	30%	19%

Ecovista plc finances its operations through a mixture of equity and debt. The gearing ratio for 2018 is 944,862/3,100,447= 30%. We consider this to be an optimal gearing ratio, as this ratio is comfortably between 25% and 50% target.

Future developments

The Chairman's Statement on page 2 provides information on the future outlook of the group.

Principal risks and uncertainties

The group's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The board is responsible for approving the group's strategy and determining the appropriate level of risk. The key risks which the group faces are detailed as follows:

Business performance risk

Business performance risk is the risk that the group may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate.

The group seeks investments in properties with development potential. The price at which investments are made, and the price which the group may realise for its investment, will be influenced by a large number of factors, some specific to the group and its operations and some which may affect the sector. The Group closely monitors the local market and seeks to invest in properties where it believes there is significant upside through the development of multiple properties on one site. This is considered a way to minimise the project downside risk.

Brexit Risk

There is the risk that Brexit and the increasing uncertainty surrounding the UK's withdrawal will adversely affect the UK property market. The Directors pay close attention to the developments and seek to mitigate the risk by focussing on locations where multiple properties can be built on a single site and therefore where, in their opinion, higher returns can be generated.

Business continuity risk

The Group may also not be able to identify suitable investment opportunities. The Group seeks to mitigate this risk by keeping close contact with local agents and continually assessing development opportunities within the chosen market as well as leveraging management's market knowledge.

Financial instruments

The Group's principal financial instruments comprise cash, receivables, loans, creditors and accruals. The main risks associated with these financial assets and liabilities are set out below:

Credit risk

The Group's credit risk is primarily attributable to its loans and receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-rating agencies.

Liquidity risk

The group's liquidity risk is managed by the directors through regular assessment of required cash levels.

It will be necessary to raise additional funds in the future by a further issue of ordinary shares or by other means. However, the ability to fund future investments and overheads as well as the ability of investments to return suitable return cannot be guaranteed, particularly in the current economic climate.

Further details regarding the financial instruments can be found in note 21 to the financial statements.

This report was approved by the board of directors on 12 February 2019 and signed on behalf of the board by:

D Barnett

Director

Directors' Report
For the year ended 31 August 2018

The directors present their report and the audited financial statements of the group and company for the year ended 31 August 2018.

Principal activity

Ecovista plc is a NEX listed investment company, whose principal activity is to acquire property for development and subsequent resale.

Directors

The directors, who served throughout the year to 31 August 2018, were as follows:
Ken Jones
Louise Hardwidge

The following directors were appointed since year end 31 August 2018:
D Barnett (Chairman) – appointed 4 January 2019
S Horsnell – appointed 4 January 2019

Dividends

The directors do not recommend the payment of a dividend, (2017: £nil).

Events after balance sheet date

Details of significant events since the balance sheet date are contained in note 25 to the financial statements.

Directors' remuneration

	Directors' fees £	Bonus £	**Total 2018 £**	Total 2017 £
K Jones	16,000	-	**16,000**	12,000
L Hardwidge *	21,500	-	**21,500**	16,000
L Tenuta (resigned 10 January 2017)	-	-	-	6,000
	37,500	-	**37,500**	34,000

* Remuneration for L Hardwidge is paid directly to a service company, LCH Consulting Limited, of which she is the sole shareholder.

The company did not make any pension contributions on behalf of the directors.

Director's interests

	Total 2018 No. of shares	Total 2017 No. of shares
K Jones	-	-
L Hardwidge	**50,000,000**	50,000,000
	50,000,000	50,000,000

The company has not granted any share options or other share incentive schemes to date.

Shares and listing

The Company's ordinary shares are listed on the NEX Growth Market (ticker: EVTP). Details of the corporate advisor and brokers are presented on the Company Information on page 1. The closing price of the Company's shares at 31 August 2018 was 0.05 pence (2017: 0.05 pence).

Substantial shareholdings

As at 28 January 2019, other than the Directors' holdings, the Company has been advised of the following interests in 3% or more of its issued share capital

Shareholder	No. of ordinary shares	% of issued share capital
Hubwise Securities	571,428,571	10.49%
Elite Cam Balance Portfolio Fund	428,571,428	7.87%

Going concern

The Group raises money for its projects through the sale of properties and raises debt and equity as and when required. The Group is currently in a net liability position and there can be no guarantee that sufficient funds will be forthcoming to settle loans due within the forthcoming financial year.

Notwithstanding the loss and operational cash outflows incurred in the year under review, the directors have a reasonable expectation that the group will be able to raise funds to provide adequate resources to continue to adopt the going concern basis in the preparation of these financial statements.

The auditors have made reference to going concern by way of a material uncertainty within their audit report.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this directors' report confirm that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements.

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 and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 of the group and company and of the profit and loss of the 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 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 group and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and company and to prevent and detect fraud and other irregularities.

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

Auditor

PKF Littlejohn LLP were appointed as auditor on 18 January 2019.

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

This report was approved by the board of directors on 12 February 2019 and signed on behalf of the board by:

D Barnett

Chairman

Independent auditor's report to the members of Ecovista plc
For the year ended 31 August 2018

Opinion

We have audited the financial statements of Ecovista Plc (the 'company') and its subsidiaries (the 'Group') for the year ended 31st August 2018 which comprise of; the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, and the Group and Company Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 31 August 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which states that the Group incurred a net loss of £238,454 during the year ended 31 August 2018 and, as of that date, the Group's current liabilities exceeded its current assets by £279,871. As stated in note 2.3, these events or conditions, along with other matters set forth in note 2.3, indicates that a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern.
Our opinion is not modified in respect of this matter.

Our application of materiality

Materiality for the Group and Company financial statements as a whole was set at £69,012 (2017: £66,000).

This has been calculated as 5% of the benchmark of net assets, which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance of the Group.

We report to the Director all corrected and uncorrected misstatements we identified through our audit with a value in excess of £3,451, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

As part of designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas requiring the Directors to make significant judgements and estimates, for example in respect of the valuation of properties and investments. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We conducted a full scope audit of the Group and Company numbers, with sufficient, appropriate audit procedures carried out on the subsidiaries for the purposes of the consolidation. Our audit was conducted from our London office where the audit team was based, with regular interaction with key group personnel responsible for the management of the Group and accounting.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How the scope of our audit responded to the key audit matter**
<u>Valuation of Property</u> The valuation of the group's development property is the key component of the Group's activities as the value underpins the Group's result. At the year-end the value of development property (included within PPE) was £2,107,090 (2017: £1,347,090). The valuation of property requires significant judgement and estimates by management and an external valuer where applicable. The valuation of the group's property portfolio is inherently subjective due to, among other factors, the individual nature of the properties, their location, expected future rentals, yield data, comparable market transactions and project completion dates. The significance of the estimates and judgements involved warrants specific audit focus in this area.	• Ensured the Group held good title to the properties • Evaluated the competence, independence and integrity of the respective valuers. • Read the valuation reports obtained and confirmed that the valuation approach was appropriate and challenged the assumptions used therein. • For internal valuations we evaluated the valuation with reference to underlying market data. • Challenged the categorisation of properties. • Considered the disclosures made within the financial statements to ensure that the areas of estimate and judgement were appropriately disclosed.

	• In previous reporting periods, the properties held were classified as Investment Properties. As the nature of these properties is for development and subsequent resale, rather than capital appreciation and rental income, the properties held were reclassified to Property, Plant and Equipment (see note 4).
<u>Valuation of investments</u> Ecovista hold a 13% investment, valued at £151,807, in Cignella SRL, an Italian property company. Owing to the unquoted and illiquid nature of this the investment the assessment of value is subjective and requires a number of significant and complex judgements to be made by management. There is the risk that inaccurate judgements made in assessing the valuation of the investment could lead to an incorrect valuation or non-recognition of an impairment to the asset. There is also the risk that management may influence the significant and judgements in respect of the investment valuation to meet market expectations of the overall net asset value of the Group.	• Confirmed ownership of the investments held. • Obtained management's assessment of the valuation of the investments held at the year end and challenged the inputs and assumptions used. • Obtained any appropriate publicly available information on the investment. • Ensured the disclosures made within the financial statements complied with UK GAAP.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Ecovista plc *(continued)*
For the year ended 31 August 2018

Use of our report

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.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

12 February 2019

ECOVISTA PLC

Consolidated Income Statement

For the year ended 31 August 2018

Continuing operations	Notes	Year to 31 August 2018 £	Year to 31 August 2017 (Restated) £
Turnover	5	17,400	-
Cost of sales		-	-
Gross profit		17,400	-
Loss on disposal of subsidiary		-	(169,941)
Impairment of Investments	14	-	(480,055)
Administrative expenses		(190,614)	(219,356)
Operating loss	6	(173,214)	(869,352)
Financial expense		(65,240)	(17,954)
Loss before tax		(238,454)	(887,306)
Taxation	9	-	-
Loss for the year from continuing operations		**(238,454)**	**(887,306)**
Loss for the financial year attributable to:			
Non-controlling interest		(7,544)	-
Equity shareholders of the company		(230,910)	(887,306)
		(238,454)	**(887,306)**
Other Comprehensive Income:			
Revaluation of property	12	142,075	-
Total Comprehensive Loss for the Year		**(96,379)**	**(887,306)**
Loss/ total comprehensive income for the financial year attributable to:			
Non-controlling interest		(7,544)	-
Equity shareholders of the company		(88,835)	(887,306)
		(96,379)	**(887,306)**
Earnings per share attributable to owners of the parent company			
Basic earnings per share (pence)	11	(0.005)	(0.024)

The notes on pages 19 to 32 form part of these financial statements.

ECOVISTA PLC

Statements of Financial Position

At 31 August 2018

		Group		Company	
		2018	**2017 (Restated)**	**2018**	**2017 (Restated)**
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Property, plant and equipment	12	2,107,090	1,347,090	-	-
Investment in subsidiaries	13	-	-	281	181
Investments	14	508,616	270,739	508,616	270,739
		2,615,706	1,617,829	508,897	270,920
Current assets					
Debtors	15	9,623	75,092	1,816,142	1,482,086
Cash at bank and in hand		75,637	124,310	63,364	113,644
		85,260	199,402	1,879,506	1,595,730
Creditors: amounts falling due within one year	16	(365,131)	(80,071)	(49,307)	(52,299)
Net current (liabilities) / assets		**(279,871)**	**119,331**	**1,830,199**	**1,543,431**
Total assets less current liabilities		**2,335,835**	**1,737,160**	**2,339,096**	**1,814,351**
Creditors: amounts falling due after more than one year	17	(944,862)	(554,178)	(944,862)	(554,178)
Net assets		**1,390,973**	**1,182,982**	**1,394,235**	**1,260,173**
Capital and reserves					
Called up share capital	19	181,760	173,190	181,760	173,190
Share premium account	20	2,918,687	2,683,045	2,918,687	2,683,045
Revaluation reserve	20	142,075	-	-	-
Equity reserve	20	74,710	14,552	74,710	14,552
Profit and loss account		(1,918,715)	(1,687,805)	(1,780,922)	(1,610,614)
Equity attributed to Parent		1,398,517	1,182,982	1,394,235	1,260,173
Non-controlling interest		(7,544)	-	-	-
Shareholders' Funds		**1,390,973**	**1,182,982**	**1,394,235**	**1,260,173**

The loss attributable to the parent company for the year was £170,308 (2017: £838,940)

The financial statements were approved by the board of directors on 12 February 2019 and signed on its behalf.

D Barnett (Director)
Company No. 05660908 (England and Wales)

The notes on pages 19 to 32 form part of these financial statements.

ECOVISTA PLC

Consolidated Statement of Changes in Equity

For the year ended 31 August 2018

	Share capital	Share premium	Revaluation Reserve	Equity reserve	Retained earnings	Total	Non-controlling interest	Total Equity
	£	£	£	£	£	£	£	£
1 September 2016	163,190	2,343,045	-	22,000	(800,499)	1,727,736	-	1,727,736
Loss for the year	-	-	-	-	(887,306)	(887,306)	-	(887,306)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(887,306)	(887,306)	-	(887,306)
Issue of share capital	10,000	340,000	-	-	-	350,000	-	350,000
Movement in convertible loan notes	-	-	-	(7,448)	-	(7,448)	-	(7,448)
Total transactions with owners recognised directly in equity	10,000	340,000	-	(7,448)	-	342,552	-	342,552
1 September 2017 - Restated	173,190	2,683,045	-	14,552	(1,687,805)	1,182,982	-	1,182,982
Loss for the year	-	-	-	-	(230,910)	(230,910)	(7,544)	(238,454)
Other Comprehensive Income	-	-	142,075	-	-	142,075	-	142,075
Total Comprehensive Income	-	-	142,075	-	(230,910)	(88,835)	(7,544)	(96,379)
Issue of share capital	8,570	235,642	-	-	-	244,212	-	244,212
Movement in convertible loan notes	-	-	-	60,158	-	60,158	-	60,158
Total transactions with owners recognised directly in equity	8,570	235,642	-	60,158	-	304,370	-	304,370
31 August 2018	**181,760**	**2,918,687**	**142,075**	**74,710**	**(1,918,715)**	**1,398,517**	**(7,544)**	**1,390,973**

The notes on pages 19 to 32 form part of these financial statements.

ECOVISTA PLC

Company Statement of Changes in Equity

For the year ended 31 August 2018

	Share capital £	Share premium £	Equity reserve £	Retained earnings £	Total £
1 September 2016	163,190	2,343,045	22,000	(771,674)	1,756,561
Loss for the year	-	-	-	(838,940)	(838,940)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(838,940)	(838,940)
Issue of share capital	10,000	340,000	-	-	350,000
Movement in convertible loan notes	-	-	(7,448)	-	(7,448)
Total transactions with owners recognised directly in equity	10,000	340,000	(7,448)	-	342,552
1 September 2017	173,190	2,683,045	14,552	(1,610,614)	1,260,173
Loss for the year	-	-	-	(170,308)	(170,308)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(170,308)	(170,308)
Issue of share capital	8,570	235,642	-	-	244,212
Movement in convertible loan notes	-	-	60,158	-	60,158
Total transactions with owners recognised directly in equity	8,570	235,642	60,158	-	304,370
31 August 2018	**181,760**	**2,918,687**	**74,710**	**(1,780,922)**	**1,394,235**

The notes on pages 19 to 32 form part of these financial statements.

Group and Company Cash Flow Statement
For the year ended 31 August 2018

	Group		Company	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Operating activities				
Loss for the year	(238,454)	(887,306)	(170,308)	(838,940)
Loss on disposal of investment	-	169,941	-	169,941
Impairment of investment	-	482,208	-	482,208
Net finance cost	65,240	-	65,240	-
Other movements	(20)	(15,348)	(20)	(116,020)
(Increase) / decrease in debtors	65,469	(2,968)	(334,056)	-
(Decrease) / increase in creditors	292,604	(39,033)	(2,992)	512
Net cash used in operating activities	**184,839**	**(292,506)**	**(442,136)**	**(302,299)**
Investing activities				
Addition to property	(617,925)	(682,090)	-	(682,090)
Proceeds from sale of subsidiaries	-	500,000	-	500,000
Acquisition of subsidiaries	(100)	(180)	(100)	(180)
Net cash used in investing activities	**(618,025)**	**(182,270)**	**(100)**	**(182,270)**
Financial activities				
Net proceeds from issue of equity	244,212	350,000	244,212	350,000
Proceeds from loan notes issue	550,000	270,000	550,000	270,000
Loan paid	(100,000)	(52,736)	(100,000)	(52,736)
Loans issued	(309,699)	-	(302,256)	-
Net cash used in financing activities	**384,513**	**567,264**	**391,956**	**567,264**
Net (decrease) / increase in cash and cash equivalents	(48,673)	92,488	(50,280)	82,695
Cash and cash equivalents at the beginning of the period	124,310	31,822	113,644	30,949
Cash and cash equivalents at the end of the period	**75,637**	**124,310**	**63,364**	**113,644**

The notes on pages 19 to 32 form part of these financial statements.

1. General information

Ecovista plc is a public limited company limited by shares and incorporated in England. Its registered office is Millars 3 Southmill Road, Bishop's Stortford, Hertfordshire CM23 3DH.

Ecovista plc is a NEX listed investment company whose principal activity is to acquire property for development and subsequent resale.

2. Accounting policies

The accounting policies, which have been applied consistently throughout the year and to the preceding year, unless otherwise stated, are set out below:

2.1 Basis of preparation

The financial statements for the group and company have been prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 ("FRS 102") and the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain assets and liabilities at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the company and group operates.

2.2 Basis of consolidation

The group financial statements consolidate the financial statements for Ecovista plc and all of its subsidiary undertakings.

Subsidiaries are consolidated form the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the parent company financial statements investment in subsidiaries are accounted for at cost less impairment.

All intra-group transactions, balances income and expenses are eliminated on consolidation.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The group's assets are generating minimal revenues, an operating loss and operating cash outflows have been reported and are expected in the 12 months subsequent to the date of these financial statements. The Group will need either to secure a successful sale of the property that they are intending market or raise debt or equity on the open market to fund operations going forward and settle loans that fall due.

2.3 Going concern *(continued)*

Based on the board's budget and cash flow forecast, the directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future either through property sale or debt/equity funding. Thus, they continue to adopt the going concern basis of accounting these financial statements.

Should the Group be unable to trade as a going concern, adjustments would have to be made to reduce assets to their recoverable amounts, to provide for further liabilities which might arise and to classify on-current assets as current. The financial statements have been prepared on a going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern.

The auditors make reference to going concern by way of material uncertainty within this audit report.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Rental income is recognised on a straight-line basis over the term of the relevant agreement.

2.5 Taxation

Taxation represents the sum of current and deferred tax.

The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is the amount of income tax payable in respect of the taxable profit for the year or prior year.

Deferred tax is recognised on all timing difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and labilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.6 Property, plant and equipment

Individual freehold or leasehold properties are initially recognised at cost. After initial recognition they are shown at fair value, based on either external or management-based valuations. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown in a revaluation reserves in shareholders equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income; all other decreases are charged to the income statements.

When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

2.7 Financial instruments

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

Financial instruments are recognised in the statement of financial position when the group or Company becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities are only offset, with the net amounts presented in the statement of financial position, when there is a legally enforceable right to set off the recognised amounts and the group intends to settle on a net basis or to realize asset and settle the liability simultaneously.

2.8 Investments

Investments comprise investments in unquoted equity instruments. The investments are carried at fair value through profit or loss. Where fair value cannot be measured reliably, the investment is carried at cost less impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

Loans receivable are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest rate method. Loans that are receivable within one year are not discounted.

2.10 Impairment of assets

At each reporting date 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 assets is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have neem 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.

2.11 Creditors

Short term trade creditors are measured at the transaction price.

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

2.12 Compound Financial Instruments

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

2.13 Foreign currencies

Transactions in currencies, other than the functional currency of the company, are recorded at the rate of exchange on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

2.14 Share Capital

Ordinary shares are classified as equity. Instrumental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3. Accounting judgements and estimates

The preparation of the financial statements requires the directors to make judgement and estimates concerning the future that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The resulting accounting estimates will, by definition, differ from the related actual results.

The following are the group's key sources of estimation uncertainty:

3.1 Valuation of land and buildings

The group carries its land and buildings at fair value, with changes in fair value being recognised in other comprehensive income and shown in a revaluation reserves in shareholders equity.

The group uses external professional valuers to determine the relevant amounts. The valuations are inherently subjective as they are made using the assumptions applied by the valuers which may not prove to be accurate.

3. Accounting judgements and estimates *(continued)*

3.2 Carrying value of investments

The group is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required.

It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment, as they consider there to be a lack of other input or evidence to suggest an uplift in the value, given the uncertainty surrounding Brexit and the general Italian economy and property market.

4. Prior year adjustment

A prior year adjustment had been made within these financial statements. Previously the properties held were classified as Investment properties, however they are now classified within Property, Plant and Equipment. The adjustment in respect of classification has arisen as the properties are held for development and resale and not for rental income or capital appreciation albeit rental income and capital appreciation may be earned before the key aim of selling any property is achieved. As such the properties do not meet the definition criteria for classification as investment properties. The impact on this adjustment has been to reclassify investments properties from investment properties to Property, Plant and Equipment. There has been no impact on the valuation of the properties held nor on earnings as a result of this adjustment. Accordingly, the impact on earnings has not been shown.

5. Turnover and revenue

	2018 £	2017 £
Rental income from properties in the UK	17,400	-
	17,400	-

The revenue is earned on the rental of the property held in Start Hill Limited.

6. Operating loss

Operating loss is stated after charging:

	2018 £	2017 £
Auditors' remuneration – audit fees	15,000	10,000
Directors' emoluments	37,500	34,000

7. Staff numbers and costs

	Group 2018 Number	Group 2017 Number	Company 2018 Number	Company 2017 Number
The average monthly number of employees (including executive directors)	4	4	4	4

Their aggregate remuneration comprised:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	50,026	37,131	50,026	37,131
Social security costs	55	151	55	151
	50,081	37,282	50,081	37,282

8. Directors' remuneration and transactions

	2018 £	2017 £
Directors' remuneration		
Emoluments	37,500	34,000
	37,500	34,000
Remuneration of the highest paid director		
Emoluments	21,500	16,000
	21,500	16,000

9. Taxation

	2018 £	2017 £
Current tax	-	-
Deferred tax	-	-
	-	-

Reconciliation of tax charge:	2018 £	2017 £
Loss on ordinary activities before taxation	238,453	887,306
Current tax on profits of the year at standard rate of UK corporation tax of 19% (2017 – 19.58%)	45,306	173,735
Losses carried forward	(45,306)	(173,735)
Tax charge in the income statement	-	-

The group has estimated excess management expenses of £953,840 (2017: £908,534) available for carry forward against future trading profits.

Deferred tax assets arising from these losses at 19% of £238,453 (2017: 19.58% of £887,306) have not been provided due to uncertainty as to when profits will be generated against which to realise the asset.

10. Profit attributable to the Company

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The loss attributable to the parent company for the year was £170,308 (2017: £838,940)

11. Earnings per share

	2018 £	2017 £
Total loss from continuing operations attributable to equity holders of the group	(230,910)	(887,306)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	4,733,540,357	3,672,733,282
Basic earnings per share from continuing operations, (pence)	(0.005)	(0.024)

For the current year and for the prior period the loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the purpose of calculating the diluted earnings per share are identical to those used for the basic loss per share.

Notes to the financial statements (continued)

For the year ended 31 August 2018

12. Property, plant and equipment

Group	Property		Total
	100 Rye Street Limited	Start Hill Limited	
	£	£	£
Carrying value			
At 1 September 2017	**815,000**	**532,090**	**1,347,090**
Additions	617,925	-	617,925
At 31 August 2018	**1,432,925**	**532,090**	**1,965,015**
At 1 September 2017	-	-	-
Revaluation	142,075	-	142,075
At 31 August 2018	142,075	-	142,075
Net Book Value at 31 August 2018	**1,575,000**	**532,090**	**2,107,090**
Net Book Value at 31 August 2017	815,000	532,090	1,347,090

The properties are held in the individual subsidiaries as follows:

100 Rye Street Limited:
Land in Bishop's Stortford, Hertfordshire which is currently being developed into a six-bedroom house.

Start Hill Limited:
Freehold four-bedroom property in Bishop's Stortford, Hertfordshire.

13. Investment in subsidiaries

	2018	2017
	£	£
At 1 September	181	269,942
Additions	100	180
Disposals	-	(269,941)
	281	181

The parent company has investments in the following subsidiary undertakings and other significant investments.

	Principal place of business	Principal activity	% Holding
Subsidiary undertakings			
100 Rye Street Limited	Millars 3	Property development	100%
Start Hill Limited	Southmill Road	Property development	80%
Willside Limited	Bishop's Stortford	Business services	100%
Ecovista UK Property Holdings Limited	England CM23 3DH	Dormant	100%
Other investments			
Cignella S.r.l	Del Renelli Trequando Italy, 53020	Hotel and leisure	13%

Notes to the financial statements (continued)
For the year ended 31 August 2018

14. Investments

Group and company	Loans Issued £	Equity investments £	Total £
Carrying value at 1 September 2016	**116,779**	**644,015**	**760,794**
Fair value adjustment	2,153	(482,208)	(480,055)
Disposal of willow cottage option	-	(10,000)	(10,000)
Carrying value at 1 September 2017	**118,932**	**151,807**	**270,739**
Reclassification from current debtors	110,000	-	110,000
Loans issued in the year	100,000	-	100,000
Foreign exchange adjustment	27,877	-	27,877
Carrying value at 31 August 2018	**356,809**	**151,807**	**508,616**

The company issued interest free, unsecured loans to Cignella S.r.l and Cignella Wellness Limited. During the year, the loan to Cignella Wellness Limited was increased and the repayment date on the outstanding balance was extended to 31 December 2020.

Equity investments represent a 13% stake of the ordinary share capital in Cignella S.r.l, an unquoted entity. The equity investment is stated at cost less impairment.

The company also has an option to purchase all the remaining equity in Cignella S.r.l on 31 December 2020 for €4million.

Notes to the financial statements (continued)
For the year ended 31 August 2018

15. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Due from subsidiaries	-	-	1,807,199	1,416,336
Loans issued	-	60,000	-	60,000
Prepayments	4,078	5,750	4,078	5,750
Other debtors	5,545	9,342	4,865	-
	9,623	**75,092**	**1,816,142**	**1,482,086**

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade payables	28,516	33,005	28,516	33,005
Loans payable	297,437	464	-	-
Other creditors	39,178	46,602	20,791	19,294
	365,131	**80,071**	**49,307**	**52,299**

17. Creditors: amounts falling due after more than one year

Borrowings are repayable as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Convertible debt (note 17)				
Between one and five years	944,862	554,178	944,862	554,178
After five years	-	-	-	-
On demand or within one year	-	-	-	-
	944,862	**554,718**	**944,862**	**554,178**

18. Convertible loan notes

	2018 £	2017 £
At the beginning of the period	554,178	184,645
Nominal value of the loan notes issued	550,000	470,000
Total equity component	(74,710)	-
Liability component	1,029,468	654,645
Interest accrued	15,394	-
Amortisation	-	(467)
Repayment	(100,000)	(100,000)
Liability component at the end of the period	**944,862**	**554,178**

The convertible loan notes of £550,000 were issued to Staffa Rock Plc on 31 August 2018. The loans are convertible into new ordinary shares at a conversion price of £0.0005 per share, the final conversion date is 31 August 2020 and they carry a nil interest coupon.

The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company. The loan note equity reserve created by this is £74,710.

The convertible loan notes of £100,000 issued to Almaskan Trading LLC were repaid on 16 January 2018 in full.

19. Share capital

	2018		2017	
	Number	£	Number	£
Ordinary shares of £0.00001 each, issued and fully paid	5,447,815,699	54,473	4,590,315,699	45,903
Deferred shares of £0.00099 each	128,572,167	127,287	128,572,167	127,287
		181,760		173,190

The company has one class of ordinary shares which carry no right to fixed income.

On 02 July 2018, 857,000,000 new ordinary shares were subscribed for at £0.00035, to fund future property acquisitions and working capital. The share issue resulted in an increase of £235,642 to the share premium, post issue costs.

20. Reserves

The group and company's reserves are as follows:

The share premium reserve includes premiums received on issue of equity shares, net of any transaction costs associated with the issuing of shares.

The revaluation reserve represents the cumulative effect of the revaluations of the land and buildings which are revalued to fair value at each reporting date.

The equity reserve represents the equity component of the loan notes.

Retained earnings includes all current and prior period retained profits and losses.

21. Financial instruments

The main risks arising from the group and company's financial instruments are detailed in the Strategic report on page 4.

The carrying values of the group and company's financial assets and liabilities are summarised by category below:

	2018		2017	
Group	**Held at amortised cost**	**Fair value through profit or loss**	**Held at amortised cost**	**Fair value through profit or loss**
	£	**£**	**£**	**£**
Financial assets				
Fixed asset investments	-	508,616	-	270,739
Prepayments	4,078	-	5,750	-
Cash and cash equivalents	75,637	-	124,310	-
	79,715	508,616	130,060	270,739
Financial liabilities				
Convertible loan notes	-	944,864		554,178
Trade payables	28,516	-	33,005	-
Loans payable	297,437	-	464	-
Accruals and other payables	39,178	-	46,602	-
	365,131	944,864	80,071	554,178
On demand or within one year	365,131	-	80,071	-

At 31 August 2018 the group had sterling cash deposits of £75,637 (2017: £124,310), earning variable rates of interest.

The fair value of the group and company's recorded financial assets does not materially differ from their book values.

Notes to the financial statements (continued)
For the year ended 31 August 2018

Company	2018 Held at amortised cost	2018 Fair value through profit or loss	2017 Held at amortised cost	2017 Fair value through profit or loss
	£	£	£	£
Financial assets				
Fixed asset investments	-	508,616		270,739
Prepayments	4,078	-	5,750	-
Cash and cash equivalents	63,364	-	113,644	-
Loan and receivables	1,807,199	-	1,416,336	-
	1,874,641	508,616	1,535,730	270,739
Financial liabilities				
Convertible loan notes	-	944,864	-	554,178
Trade payables	28,516	-	33,005	-
Accruals and other payables	20,791	-	19,294	-
	49,307	944,864	52,299	554,178
On demand or within one year	49,307	-	52,299	-

The group and company's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Interest expense				
Total interest expense for financial liabilities	65,240	17,954	65,240	17,954
Impairment losses				
On unlisted equity instruments measured at cost less impairment	-	482,208	-	482,208

22. Related parties

An amount of £41,885 (2017: £18,000) was payable during the year to Louise Stokely's (CEO) service company, LCH Consultants.

An amount of £13,938 (2017: £15000) was payable during the year to Simon North's service company, Lemskah Ltd. Simon North is a director of 100 Rye Street Ltd, Start Hill Ltd and Willside Ltd. These subsidiaries are involved with the principal activities of the company. He is further involved with the management of Ecovista Plc.
At year end, £80,000 was payable (2017: £0), and £100 (2017: £0) was receivable from TS&D Solutions Ltd, a company in which his two daughters are Directors.

During the current year, an amount of £4,254 was payable to Bushwood Accountants, of which Sarah Horsnell is an employee. She was appointed as a Director of Ecovista Plc on 4 January 2019.

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not required to be disclosed.

23. Other commitments

At 31 August 2018, the group had total revenue commitments under non-cancellable operating leases over the remaining life of those leases of £nil (2017: £2,010).

24. Ultimate controlling party

In the opinion of the directors there is no controlling party at the period end.

25. Subsequent events

There have been no material events after the reporting date.