

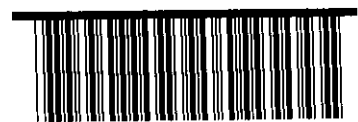
4727708

Realpower Limited

Report and Financial Statements

Period ended

31 December 2003



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COMPANIES HOUSE		22/05/04
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COMPANIES HOUSE		15/05/04

Blueprint Audit Limited

Chartered Accountants and Registered Auditor

REALPOWER LIMITED

Annual report and financial statements for the period ended 31 December 2003

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Directors

MT Shearstone
PR Needham

Secretary and registered office

Mrs CL Shearstone, 14 Regent Street, Nottingham, NG1 5BQ

Company number

4727708

Accountants and Business Advisers

Tenon Limited, Charnwood House, Gregory Boulevard, Nottingham, NG7 6NX

Auditor

Blueprint Audit Limited, Charnwood House, Gregory Boulevard, Nottingham, NG7 6NX

Bankers

HSBC Bank plc, 1 St Peter's Street, Derby, Derbyshire DE1 2AE

REALPOWER LIMITED

Report of the directors for the period ended 31 December 2003

The directors present their report together with the audited financial statements for the period ended 31 December 2003.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the period.

The directors recommend the payment of a final dividend of £39,000.

Principal activities, trading review and future developments

The principal activity of the company is that of a holding company.

The company was incorporated on 9 April 2003 by issue of 1 ordinary share at par. The authorised share capital on incorporation amounted to £100.

The company commenced trading on 12 June 2003.

Further share issues made during the period are disclosed in note 14 to the financial statements.

On 12 June 2003 the company changed its name from G W 445 Limited to Realpower Limited. Also on this date the company acquired 81.5% of the issued share capital of Icepower Limited and the entire issued share capital of Realmalt 2 Limited.

On 11 November 2003 the company acquired the entire issued share capital of Wastecycle Limited from Icepower Limited and the remaining 18.5% of the share capital of Icepower Limited.

On 3 December 2003 the company acquired the entire issued share capital of UK Recycling Limited from Icepower Limited.

On the 31 December 2003 the trade, assets and liabilities of Icepower Limited were transferred to Realpower Limited at book value as part of a group reorganisation.

Following the group reorganisation outlined above, Icepower Limited, Realmalt 2 Limited, Wastecycle Limited and UK Recycling Limited are all wholly owned subsidiaries of the company.

Directors

The directors of the company during the year and their interests in the share capital of the company were:

		At date of appointment and at 31 December 2003 £
Class		
MT Shearstone (appointed 12 June 2003)	Ordinary shares of £1 each	160,000
PR Needham (appointed 12 June 2003)	'B' ordinary shares of £1 each	40,000
GW Incorporations Limited (appointed 9 April 2003, resigned 12 June 2003)		-

REALPOWER LIMITED

Report of the directors for the period ended 31 December 2003 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 proper accounting records which 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 1985. 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.

Auditor

Blueprint Audit Limited have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



Mrs CL Shearstone
Secretary

10 May 2004

Report of the auditor**Independent auditor's report to the shareholders of Realpower Limited**

We have audited the financial statements of Realpower Limited for the period ended 31 December 2003 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 of the company's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Blueprint Audit Limited
Chartered Accountants and Registered Auditor

13 May 2004

REALPOWER LIMITED**Profit and loss account for the period ended 31 December 2003**

	Note	Period 9 April 2003 to 31 December 2003 £
Turnover	2	71,650
Administrative expenses		(27,481)
Operating profit	5	44,169
Income from shares in group undertakings		415,102
Interest payable	6	(6,365)
Profit on ordinary activities before taxation		452,906
Taxation on profit on ordinary activities	7	(7,000)
Profit on ordinary activities after taxation		445,906
Dividends	8	(39,000)
Retained profit for the period	15	406,906

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

REALPOWER LIMITED**Balance sheet at 31 December 2003**

		31 December 2003	
	Note	£	£
Fixed assets			
Tangible assets	9		349,771
Investments	10		1,969,232
			2,319,003
Current assets			
Debtors	11	118,273	
Cash at bank and in hand		63,186	
		181,459	
Creditors: amounts falling due within one year	12	(217,687)	
Net current liabilities			(36,228)
Total assets less current liabilities			2,282,775
Creditors: amounts falling due after more than one year	13		(624,117)
Net assets			1,658,658
Capital and reserves - equity			
Called up share capital	14		200,000
Share premium account	15		1,051,752
Profit and loss account	15		406,906
Shareholders' funds	16		1,658,658

The financial statements were approved by the Board on 10 May 2004.



MT Shearstone
Director

The notes on pages 6 to 13 form part of these financial statements.

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Group accounts

The company has not prepared group accounts as it is exempt from the requirement to do so by section 248(3) of the Companies Act 1985. Consequently, these financial statements contain information concerning the company only.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates on a straight line basis:

Long leasehold property	-	5% per annum
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Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom.

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

3 Employees

Period
9 April 2003
to
31 December 2003
£

Staff costs, including directors, consist of:

Wages and salaries	4,758
Social security costs	511
	5,269

The average number of employees, including directors, during the year was 2.

4 Directors

Directors' emoluments consist of:

Remuneration for management services	4,758

5 Operating profit

This has been arrived at after charging:

Auditor's remuneration	850
Profit on disposal of investments	(12,784)

6 Interest payable

Bank loan	5,625
Other loan	740
	6,365

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

7 Taxation on loss on ordinary activities

Period
9 April 2003
to
31 December 2003
£

(a) Analysis of charge in year

Current tax

UK Corporation tax on profit in the year (note 7(b))	7,000
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(b) Factors affecting tax charge for year

The tax assessed for the year is different to the expected rate of corporation tax.
The differences are explained below:

Profit on ordinary activities before taxation	452,906
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Profit on ordinary activities multiplied by expected rate of corporation tax of 30%	135,872
--	---------

Effects of:

Expenses not deductible for tax purposes	4,562
Non taxable income	(124,531)
Profit on disposal of investments	(3,835)
Small companies relief	(5,068)

	7,000
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(c) Factors that may affect future tax charges.

There are no factors which are expected to significantly affect future tax charges.

8 Dividends

Ordinary shares of £1 each	39,000
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REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

9 Tangible assets

	Long leasehold property £
<i>Cost</i>	
Transferred from subsidiary undertaking and at 31 December 2003	463,590
<i>Depreciation</i>	
Transferred from subsidiary undertaking and at 31 December 2003	113,819
<i>Net book value</i>	
At 31 December 2003	349,771

10 Investments

	Subsidiary undertakings £	Listed investments £	Total £
<i>Costs</i>			
Additions	1,969,232	37,998	2,007,230
Disposals	-	(37,998)	(37,998)
At 31 December 2003	1,969,232	-	1,969,232

The following were subsidiary undertakings at the end of the period:

Name	Country	Proportion of voting rights and ordinary share capital held	Result for the year ended 31 December 2003 £	Net assets at 31 December 2003 £	Nature of business
Icepower Limited	Great Britain	100%	68,891	245,517	Dormant
Wastecycle Limited	Great Britain	100%	385,446	822,820	Waste collection and recycling
Realmalt 2 Limited	Great Britain	100%	-	60,000	Dormant
UK Recycling Limited	Great Britain	100%	-	1	Dormant

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

11 Debtors

	2003 £
Amounts owed by group undertakings	117,098
Other debtors	1,175
	<u>118,273</u>

Included within debtors is an amount of £65,000 due in more than one year.

12 Creditors: amounts falling due within one year

Bank loan (note 12)	28,152
Amounts owed to group undertakings	60,000
Trade creditors	18,167
Corporation tax	29,547
Taxation and social security	18,629
Accruals and other creditors	24,192
Proposed dividends	39,000
	<u>217,687</u>

13 Creditors: amounts falling due after more than one year

	2003 £
Bank loan (secured)	154,531
Other loan (secured)	400,000
Amounts owed to group undertakings	69,586
	<u>624,117</u>

The bank loan is secured on the assets of the company and bears interest at 2% above the bank's base lending rate.

The other loan is secured on the assets of the company and bears interest at 5%.

The bank and other loans are repayable as follows:

	Bank loan £	Other loan £
Within one to two years	28,152	100,000
Within two to five years	84,456	300,000
After more than five years	41,923	-
	<u>154,531</u>	<u>400,000</u>

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

14 Share capital

	Authorised 31 December 2003 £	Allotted, called up and fully paid 31 December 2003 £
Ordinary shares of £1 each	160,000	160,000
'B' ordinary shares of £1 each	40,000	40,000
	<u>200,000</u>	<u>200,000</u>

The company was incorporated on 9 April 2003 and issued of 1 ordinary share at par. The authorised share capital on incorporation amounted to £100. On 12 June 2003 the authorised share capital of the company was increased to £200,000 being £160,000 ordinary shares and £40,000 'B' ordinary shares.

The following share issues were made during the period:-

Date	No of shares	Class of shares	Premium per share £	Total premium £
12 June 2003	159,999	Ordinary	5.26	841,401
12 June 2003	40,000	'B' ordinary	5.26	210,351

The rights attaching to each class of share are contained in the Articles of Association of the company, which are available from Companies House.

15 Reserves

	Share premium account £	Profit and loss account £
Profit for the period	-	406,906
Issue of share capital	1,051,752	-
At 31 December 2003	<u>1,051,752</u>	<u>406,906</u>

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

16 Reconciliation of movements in shareholders' funds

	2003 £
Profit for the period	406,906
Issue of share capital	1,251,752
Movement in shareholders' funds and closing shareholders' funds	<u>1,658,658</u>

17 Commitments under operating leases

As at 31 December 2003, the company had annual commitments under non cancellable operating leases as set out below:

	Land and buildings £
Operating leases which expire:	
Over five years	<u>92,000</u>

18 Related party transactions

The company is related to Icepower Limited, Wastecycle Limited, UK Recycling Limited and Realmalt 2 Limited by virtue of them being subsidiary undertakings.

The company's transactions with related parties during the period, together with the balances as 31 December 2003 were as follows:-

	Management charges receivable £	Debtor £	Creditor £
Icepower Limited	-	-	28,236
Wastecycle Limited	71,650	117,098	41,350
Realmalt 2 Limited	-	-	60,000

All transactions occurred on normal commercial terms.

During the period Realmalt 2 Limited transferred its listed and unlisted investments to the company. These shares were transferred at net book value.

REALPOWER LIMITED

Notes forming part of the financial statements for the period ended 31 December 2003
(Continued)

19 Contingent liabilities

The company has guaranteed the bank borrowings of its subsidiary company. At 31 December 2003 the contingent liability in respect of those guarantees amounted to £Nil.

20 Ultimate controlling party

The company is controlled by its directors MT Shearstone and PR Needham.

21 Group reorganisation

On 31 December 2003 the trade, assets and liabilities of Icepower Limited, a subsidiary were transferred to the company at their book value and settled through the inter company account.

The assets and liabilities transferred are summarised below:-

	£	£
Fixed assets		349,771
Current assets		
Debtors	1,175	
Cash	8,847	
		10,022
Total assets		359,793
Creditors		(237,249)
Net assets		122,544