

Realpower Limited

Annual report and financial statements
for the 15 months ended 31 March 2007

Registered number 4727708

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Realpower Limited

Annual report and financial statements for the 15 months ended 31 March 2007

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Realpower Limited

Company information

Directors

MT Shearstone
PR Needham
TB Breen Appointed 10 November 2006
T Davy Appointed 10 November 2006
MT Tracey Appointed 10 November 2006

Secretary

CL Shearstone Resigned 10 November 2006
SA Darke Appointed 10 November 2006

Registered office

Enviro Building
Private Road No 4
Colwick Industrial Estate
Nottingham
NG4 2JT

Registered Auditors

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
Derbys
DE74 2UZ

Solicitors

HBJ Gateley Wareing LLP
One Eleven
Edmund Street
Birmingham
B3 2HJ

Bankers

HSBC Bank plc
1 St Peters Street
Derby
DE1 2AE

Realpower Limited

Directors' report for the 15 months ended 31 March 2007

The directors present their annual report, together with the audited financial statements of the company for the 15 months ended 31 March 2007

Principal activity

The company's principal activity during the period was that of a holding company

Review of the business

The results for the period and the financial position at the period end were considered satisfactory by the directors who remain confident that the current level of performance will be maintained in the foreseeable future despite an external commercial environment which is expected to remain competitive in 2007/08

Principal risks and uncertainties

The principal uncertainty affecting the business is the level of buoyancy in the construction sector

Key Performance Indicators

The directors of DCC plc manage the group's operation on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary for an understanding of the development, performance or position of Realpower Limited

Results and dividends

The trading profit for the period, after taxation, amounted to £60,875 (31 December 2005 £154,323). Dividends of £70,000 were paid during the year (31 December 2005 £60,000). No dividends were proposed at the period end (31 December 2005 £70,000).

Statement of 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 March 2007 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Realpower Limited

Directors' report for the 15 months ended 31 March 2007 (continued)

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 234A the following applies

- (a) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

During the period Cooper Parry LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed to fill the casual vacancy. A resolution to confirm and reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

By order of the Board



SA Darke
Secretary

[22/6/07]

Realpower Limited

Independent auditors' report to the members of Realpower Limited

We have audited the financial statements of Realpower Limited for the 15 months ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether, in our opinion, the information given in the Director's Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

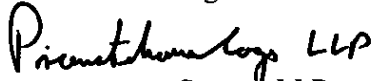
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 considered 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
[26/06/07]

Realpower Limited

Profit and loss account for the 15 months ended 31 March 2007

	Notes	15 months ended 31 March 2007 £	Year ended 31 December 2005 £
Administrative expenses		(516,049)	(348,676)
Other operating income		647,560	485,399
Operating profit		131,511	136,723
Investment income	5	-	50,000
Interest receivable	5	6	7
Interest payable	6	(8,642)	(6,157)
Profit on ordinary activities before taxation	2	122,875	180,573
Tax on profit on ordinary activities	7	(62,000)	(26,250)
Profit on ordinary activities after taxation	15	60,875	154,323

None of the company's activities were acquired or discontinued during the above financial period

The company has no recognised gains or losses other than the profit stated above

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis

The notes on pages 7 to 17 form part of these financial statements

Realpower Limited

Balance sheet as at 31 March 2007

	Notes	31 March 2007 £	31 December 2005 £
Fixed assets			
Tangible assets	8	501,965	303,135
Investments	9	1,663,715	1,969,232
		2,165,680	2,272,367
Current assets			
Debtors	10	80,688	77,900
Cash at bank and in hand		10,315	12,901
		91,003	90,801
Creditors: amounts falling due within one year	11	(133,550)	(99,417)
Net current liabilities		(42,547)	(8,616)
Total assets less current liabilities		2,123,133	2,263,751
Creditors: amounts falling due after more than one year	12	(241,547)	(406,168)
Net assets		1,881,586	1,857,583
Capital and reserves			
Called-up share capital	13	206,233	200,000
Share premium account	14	1,078,647	1,051,752
Profit and loss account	14	596,706	605,831
Total Shareholders' funds	15	1,881,586	1,857,583

Signed on behalf of the directors

PR Needham
Director
[22/6/07]

The notes on pages 7 to 17 form part of these financial statements

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements

Accounting convention

The financial statements are prepared on the going concern basis, under historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting Standards. Where a choice of treatment is available the directors apply the most appropriate accounting policy and estimation technique in accordance with Financial Reporting Standard 18.

Depreciation

Depreciation is provided on all tangible fixed assets at the following annual rates to write off the cost less estimated residual value, of each asset over its expected useful life as follows:

Land and buildings leasehold	5% straight line
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Investments

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

Pensions

Contributions in respect of the company's defined contribution scheme are charged to profit and loss account for the period in which they are payable to the scheme.

Taxation including deferred tax

The charge for taxation is based on the profits for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided on all timing differences in accordance with FRS 19. Deferred tax assets are recognised to the extent that they are recoverable. Deferred tax assets and liabilities are not discounted.

Group accounts

The financial statements contain information about Realpower Limited as an individual company and do not contain consolidated financial information. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, DCC plc, a company incorporated in the Republic of Ireland.

Cash flow statement

A cash flow statement is not included in these accounts because the company is a subsidiary undertaking of DCC plc which has prepared a consolidated cash flow statement, including the cash flows of the company, in its 2007 accounts in accordance with Financial Reporting Standard No 1 (Revised).

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

2 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging/(crediting) the following

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Auditors' remuneration	2,400	1,000
Depreciation of owned tangible assets	29,145	23,316
Management charges	(612,250)	(458,700)
Rents receivable	(35,310)	(26,699)

3 Directors' emoluments

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Aggregate emoluments	205,948	158,712
Pension costs	172,500	138,000
	378,448	296,712

Retirement benefits are accruing to two (31 December 2005 two) directors under a defined contribution scheme. The remaining three directors were appointed by DCC plc on their acquisition of the company and received no remuneration from the company during the period.

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

3 Directors' emoluments (continued)

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Highest paid director		
Aggregate emoluments	94,678	71,671
Pension costs	111,250	89,000
	205,928	160,671

4 Staff costs

The aggregate payroll costs including directors' emoluments were as follows

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Wages and salaries	206,045	150,902
Social security costs	23,925	17,456
Other pension costs	172,500	138,000
	402,470	306,358

There were two employees during the period apart from the directors (31 December 2005 none)

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

5 Income from investments, other interest receivable and similar income

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Income from subsidiary undertakings	-	50,000
Bank interest	6	7
	6	50,007

6 Interest payable

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Bank loan interest	8,642	6,157

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

7 Tax on profit on ordinary activities

	15 months ended 31 March 2007	Year ended 31 December 2005
	£	£
Current period tax		
UK Corporation tax	65,000	26,866
Adjustment for prior years	-	(616)
Current tax charge	65,000	26,250
Deferred taxation		
Deferred tax charge current year	(1,137)	-
Adjustment for prior years	(1,863)	-
Deferred tax credit	(3,000)	-
Tax on profit on ordinary activities	62,000	26,250
Factors affecting the tax charge for the year		
The tax assessed for the period is higher (31 December 2005 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below		
Profit on ordinary activities before taxation	122,875	180,573
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30%	36,863	54,172
Effects of		
Non-deductible expenses	27,000	1,746
Accelerated capital allowances & other timing differences	1,137	1,502
Adjustments to previous periods	-	(616)
Non-taxable dividend income	-	(15,000)
Other tax adjustments	-	(15,554)
Current tax charge	65,000	26,250

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

8 Tangible assets

	Land & buildings leasehold
	£
Cost	
At 1 January 2006	463,590
Additions	362,915
Disposals	(134,940)
At 31 March 2007	691,565
Depreciation	
At 1 January 2006	160,455
Charge for the period	29,145
At 31 March 2007	189,600
Net book value	
At 31 March 2007	501,965
At 31 December 2005	303,135

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

9 Fixed asset investments

	Shares in group undertakings
	£
Cost	
At 1 January 2006	1,969,232
Disposals	(305,517)
At 31 March 2007	1,663,715

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Company			Shares held	
Subsidiary undertaking	Principle activity	Country of registration or incorporation	Class	%
Wastecycle Limited	Waste collection and recycling	England & Wales	Ordinary	100
UK Recycling Limited	Dormant	England & Wales	Ordinary	100
UK Materials Limited	Dormant	England & Wales	Ordinary	100

On 21 February 2006, the former subsidiary undertakings Icepower Limited and Realmalt 2 Limited were dissolved with the investment held by Realpower Limited being written off against the intercompany balances owed to these entities

On 10 November 2006 Realpower Limited acquired the entire ordinary share capital of UK Materials Limited from one of the directors MT Shearstone for a consideration of £1 UK Materials Limited is at present a dormant company

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

10 Debtors

	31 March 2007	31 December 2005
	£	£
Amounts owed by subsidiary undertakings	70,500	75,794
VAT recoverable	4,461	-
Deferred tax asset	3,000	-
Other debtors	2,727	2,106
	80,688	77,900

Amounts falling due after more than one year in above

Amounts owed by subsidiary undertakings	-	75,794
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Amounts owed by group undertakings are unsecured and interest free

The company has provided for a deferred tax asset of £3,000 in respect of accelerated capital allowances (31 December 2005 £nil) The company has no unprovided deferred tax assets or liabilities

11 Creditors: amounts falling due within one year

	31 March 2007	31 December 2005
	£	£
Bank loans and overdrafts	28,089	28,089
Trade creditors	1,773	1,763
Corporation tax	65,000	26,866
Other taxes and social security costs	9,986	7,113
Accruals	28,702	35,586
	133,550	99,417

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

12 Creditors: amounts falling due after more than one year

	31 March 2007	31 December 2005
	£	£
Bank loans (all repayable within five years by instalments)	65,540	100,651
Amounts owed to subsidiary undertakings	176,007	305,517
	241,547	406,168

The bank loan is secured on the leasehold property of the company and bears interest at 1.5% above the bank's base lending rate

Amounts owed to group undertakings are unsecured and interest free

13 Called up share capital

	31 March 2007	31 December 2005
	£	£
Authorised		
Ordinary shares of £1 each	206,233	160,000
'B' ordinary shares of £1 each	-	40,000
	206,233	200,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	206,233	160,000
'B' ordinary shares of £1 each	-	40,000
	206,233	200,000

On 10 November 2006 the authorised & issued share capital of the company was increased by the exercise of Enterprise Management Initiative share options held by employees of the subsidiary company Wastecycle Limited, the right to exercise which resulted from the acquisition of the Company by DCC Environmental UK Limited on this date

On 10 November 2006 the 40,000 'B' ordinary shares of £1 each were redesignated ordinary shares of £1 each, to rank pari passu in all respects with the existing ordinary shares

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

14 Statement of movements on reserves

	Share premium account	Profit & loss account
	£	£
At 1 January 2006	1,051,752	605,831
Profit for the period	-	60,875
Premium on ordinary shares issued	26,895	-
Dividends paid	-	(70,000)
At 31 March 2007	1,078,647	596,706

During the period dividends of £70,000 (31 December 2005 £60,000) were paid. At the period end dividends of £ nil (31 December 2005 £70,000) were proposed.

During the period 6,233 ordinary shares were issued for cash. The nominal value of these shares was £6,233 and the consideration received was £33,128.

15 Reconciliation of movement in total shareholders' funds

	31 March 2007	31 December 2005
	£	£
Profit for the financial year	60,875	154,323
Dividends paid	(70,000)	(60,000)
Issue of new share capital	33,128	-
Opening shareholders' funds	1,857,583	1,813,260
Closing shareholders' funds	1,881,586	1,857,583

16 Contingent liabilities

The company has guaranteed the bank borrowings of its subsidiary company. At 31 March 2007 the contingent liability in respect of those guarantees amounted to £nil (31 December 2005 £nil).

Realpower Limited

Notes to the financial statements for the 15 months ended 31 March 2007 (continued)

17 Parent and ultimate controlling party

On 10 November 2006 Realpower Limited was acquired by DCC Environmental UK Limited, a company incorporated in Great Britain and a wholly owned subsidiary of DCC plc, a company registered in Ireland. Copies of the ultimate parent company's consolidated financial statements may be obtained from The Secretary, DCC plc, DCC House, Stillorgan, Blackrock, Co Dublin, Ireland. Transactions within this group of companies are not disclosed in accordance with the exemption given in Financial Reporting Standard No 8 – Related Party Transactions.

18 Related party transactions

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

During the period the company received management charges of £612,250 (31 December 2005 £458,700), rent of £33,000 (31 December 2005 £26,699) and recharges of other costs of £2,310 (31 December 2005 £8,914) from Wastecycle Limited. At the period end the company had balances with Wastecycle Limited of £70,500 (31 December 2005 £75,794) debtor and £176,007 (31 December 2005 £nil) creditor.

During the period the company creditor balance at 31 December 2005 of £245,517 & the company creditor balance with Realmalt 2 Limited at 31 December 2005 of £60,000 were written off against the fixed asset investment held in these subsidiaries when these entities were dissolved.