

Realpower Limited

Annual report and financial statements
for the year ended 31 March 2012

Registered number 04727708



Realpower Limited

Annual report and financial statements for the year ended 31 March 2012

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Realpower Limited

Company information

Directors

PR Needham
T Davy
MT Tracey
NB Cole

Company secretary

SA Darke

Registered office

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

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
East Midlands
DE74 2UZ

Solicitors

Gateley LLP
One Eleven
Edmund Street
Birmingham
B3 2HJ

Bankers

National Westminster Bank plc
Bradford City Centre Branch
7 Hustlergate
Bradford
West Yorkshire
BD1 1PP

Realpower Limited

Directors' report for the year ended 31 March 2012

The directors present their annual report, together with the audited financial statements of the company for the year ended 31 March 2012

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Principal activity

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

Results and dividends

The trading profit for the year, after taxation, amounted to £147,775 (2011 £388,701) No dividends were paid during the year (2011 £nil) No dividends were proposed at the year end (2011 £nil)

Going Concern

Notwithstanding the fact that the company has net current liabilities at the balance sheet date, the directors have prepared the financial statements on the going concern as it was felt that the cash generated from ongoing profitability will be more than sufficient to meet outstanding current liabilities before they fall due with amounts owed to group undertakings not being required to be settled unless surplus cash is available

Directors

The directors who served the company during the year and up to the date of signing the financial statements were

PR Needham

T Davy

MT Tracey

NB Cole (Appointed 13 July 2012)

Company secretary

SA Darke

Realpower Limited

Directors' report for the year ended 31 March 2012 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 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 company and of the profit or loss of the company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

As far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has 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 auditors are aware of that information.

By order of the Board



SA Darke
Company Secretary
13 December 2012

Independent auditors' report to the members of Realpower Limited

We have audited the financial statements of Realpower Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit 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

Opinion on other matter prescribed by the Companies Act 2006

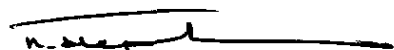
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Realpower Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Neil Stephenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
13 December 2012

Realpower Limited

Profit and loss account for the financial year ended 31 March 2012

	Notes	2012 £	2011 £
Administrative expenses		(625,964)	(507,403)
Other operating income	2	1,036,408	1,023,090
Operating profit		410,444	515,687
Income from fixed asset investments		6,312,624	-
Interest receivable and similar income	6	240	308
Amounts written off investments	10	(6,312,624)	-
Interest payable and similar charges	7	(95,899)	(22,977)
Profit on ordinary activities before taxation	3	314,785	493,018
Tax on profit on ordinary activities	8	(167,010)	(104,317)
Profit for the financial year	17	147,775	388,701

All of the company's activities related to continuing operations during the current year and previous year

The company has no recognised gains or losses other than the profit for the financial year stated above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit for the financial year as disclosed in the profit and loss account and the profit on an unmodified historical cost basis

Registered Number 04727708

Realpower Limited

Balance sheet as at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible fixed assets	9	3,796,741	3,606,252
Investments	10	5,463,509	1,663,715
		9,260,250	5,269,967
Current assets			
Debtors	11	20,672	95,299
Debtors – receivable after one year	11	101,500	-
Cash at bank and in hand		151,169	26,797
		273,341	122,096
Creditors: amounts falling due within one year	12	(6,290,884)	(2,297,131)
Net current liabilities		(6,017,543)	(2,175,035)
Total assets less current liabilities		3,242,707	3,094,932
Net assets		3,242,707	3,094,932
Capital and reserves			
Called-up share capital	14	206,233	206,233
Share premium account	16	1,078,647	1,078,647
Profit and loss account	16	1,957,827	1,810,052
Total shareholders' funds	17	3,242,707	3,094,932

The financial statements on pages 6 to 19 were approved by the Board of Directors on 13 December 2012 and were signed on its behalf by



PR Needham
Director

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012

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 2006 and applicable Accounting Standards in the United Kingdom. Where a choice of treatment is available the directors apply the most appropriate accounting policy and estimation technique in accordance with Financial Reporting Standard number 18 – Accounting policies.

Tangible fixed assets and depreciation

All fixed assets are initially recorded in cost and are stated at historic cost, less accumulated depreciation and any provisions for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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:

Freehold land	0%
Freehold buildings	5% straight line
Land and buildings leasehold	5% straight line

Leased assets

Receipts and payments under operating leases are credited and charged to the profit and loss account in the period to which they relate.

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 the profit and loss account for the year in which they are payable to the scheme.

Going Concern

Notwithstanding the fact that the company has net current liabilities at the balance sheet date, the directors have prepared the financial statements on the going concern as it was felt that the cash generated from ongoing profitability will be more than sufficient to meet outstanding current liabilities before they fall due with amounts owed to group undertakings not being required to be settled unless surplus cash is available.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

1 Accounting policies (continued)

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Consolidation

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 400 of the Companies Act 2006 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 financial statements 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 2010 financial statements in accordance with Financial Reporting Standard number 1 (Revised 1996) – Cash flow statements.

2 Other operating income

	2012	2011
	£	£
Management charges (note 19)	618,600	630,400
Rents receivable (note 19)	417,808	392,690
	1,036,408	1,023,090

The company's net assets and the origin of the business is all from the United Kingdom. There are only two classes of business being the provision of management services and the rental of property.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

3 Profit on ordinary activities before taxation

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

	2012	2011
	£	£
Auditors' remuneration	2,250	3,000
Acquisition costs	86,493	-
Operating lease charges – land and buildings	222,407	197,289
Depreciation of owned tangible fixed assets	136,711	135,017

No other services were provided to the company by the auditors during the year (2011 £nil)

4 Directors' emoluments

	2012	2011
	£	£
Aggregate emoluments	127,577	132,349
Pension costs	12,000	11,561
	139,577	143,910

Retirement benefits are accruing to one (2011 one) director 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 year (2011 £nil).

5 Staff costs

The aggregate payroll costs including directors' emoluments were as follows

	2012	2011
	£	£
Wages and salaries	126,914	128,733
Social security costs	15,563	15,015
Other pension costs	21,382	11,561
	163,859	155,309

There was one employee during the year apart from the director (2011 one)

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

6 Interest receivable and similar income

	2012	2011
	£	£
Other interest receivable	240	308

7 Interest payable and similar charges

	2012	2011
	£	£
Interest payable to group undertakings	95,899	22,977

8 Tax on profit on ordinary activities

	2012	2011
	£	£
Current tax		
UK Corporation tax	90,844	167,045
Adjustment in respect of prior years	1,166	272
Total current tax	92,010	167,317
Deferred taxation		
Origination and reversal of timing differences	(15,000)	(14,000)
Impact of change in rates	7,000	2,000
Adjustment in respect of prior years	83,000	(51,000)
Total deferred tax charge	75,000	(63,000)
Tax on profit on ordinary activities	167,010	104,317

Factors affecting the tax for the year

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK (26%) (2011 28%). The differences are explained below

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

8 Tax on profit on ordinary activities (continued)

	2012	2011
	£	£
Profit on ordinary activities before taxation	314,785	493,018
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 26% (2011 28%)	81,844	138,045
Effects of		
Expenses not deductible for tax purposes	1,641,282	14,000
Non-taxable dividend income	(1,641,282)	-
Accelerated capital allowances and other timing differences	9,000	15,000
Adjustments in respect of prior years	1,166	272
Current tax for the year	92,010	167,317

Factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 28% to 26% with effect from 1 April 2011. Accordingly the company's profits for this accounting year are taxed at an effective rate of 26%. The March 2011 Budget Announcement proposed that the main rate of corporation tax would be reduced to 26% from 1 April 2011 and 25% from 1 April 2012. The March 2012 Budget Announcement included a further proposal to reduce the main rate of corporation tax to 24% from 1 April 2012, with further reductions to reduce the rate to 22% by 1 April 2014. As the reduction to 24% was substantively enacted at the balance sheet date, the deferred tax asset has been restated to reflect the reduced rate of 24%. The reductions to 23% and 22% were not substantively at the balance sheet date and no account has been taken of them in these financial statements. The overall effect of the further changes from 24% to 22% if applied to the deferred tax balance at 31 March 2012 would be a reduction in the deferred tax asset of £1,000, together with a corresponding debit to tax on profit on ordinary activities of £1,000. This would be recognised in 2013 £nil and 2014 £1,000. The rate of writing down allowances on the main pool of plant and machinery and on the special rate pool will fall to 18% and 8% respectively from April 2012.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

9 Tangible fixed assets

	Land and buildings long leasehold	Land and buildings freehold	Total
	£	£	£
Cost			
At 1 April 2011	1,802,461	2,402,531	4,204,992
Additions	321,740	5,460	327,200
At 31 March 2012	2,124,201	2,407,991	4,532,192
Accumulated depreciation			
At 1 April 2011	478,030	120,710	598,740
Charge for the year	90,168	46,543	136,711
At 31 March 2012	568,198	167,253	735,451
Net book value			
At 31 March 2012	1,556,003	2,240,738	3,796,741
At 31 March 2011	1,324,431	2,281,821	3,606,252

The net book value of freehold land at 31 March 2012 and 31 March 2011 was £1,277,897

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

10 Investments

	Shares in subsidiary undertakings £
Cost at 1 April 2011	1,663,715
Acquisitions	10,112,418
Cost at 31 March 2012	11,776,133
Impairment charges during the year	(6,312,624)
Impairment charges at 31 March 2012	(6,312,624)
Net investment value at 31 March 2012	5,463,509
Net investment value at 31 March 2011	1,663,715

On 31 August 2011 the company purchased the entire share capital of Wesley Waste Limited for £10,112,418 which included an accrual for deferred consideration of £360,108

Having paid an in specie dividend of £6,312,624 to Realpower Limited on 31 March 2012, the shareholders funds of Wesley Waste Limited were reduced to £100. As a result the investment held by Realpower Limited in Wesley Waste Limited has been reduced in value accordingly. However, in accordance with FRS5, the value of investment net of this dividend has been transferred into the value of investment in Wastecycle Limited in keeping with the accounting policy of reporting substance and economic reality over legal form as immediately prior to this dividend being paid the trade and assets of Maxi Waste Limited, a wholly owned subsidiary of Wesley Waste Limited were hived into Wastecycle Limited at book value.

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	Principal activity	Country of registration or incorporation	Class	%
Wastecycle Limited	Waste collection and recycling	England and Wales	Ordinary	100
Wesley Waste Limited	Non-trading	England and Wales	Ordinary	100
UK Recycling Limited	Dormant	England and Wales	Ordinary	100
UK Materials Limited	Dormant	England and Wales	Ordinary	100

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

10 Investments (continued)

Indirect holdings

Company			Shares held	
Subsidiary undertaking	Principal activity	Country of registration or incorporation	Class	%
Maxi Waste Limited	Dormant	England and Wales	Ordinary	100
Toton Aggregates Limited	Dormant	England and Wales	Ordinary	100
Tollerton Skip Hire Limited	Dormant	England and Wales	Ordinary	100

The Directors are of the opinion that the carrying value of the investments is supported by the underlying assets and trading of the subsidiary undertakings

11 Debtors

	2012	2011
	£	£
Other taxation and social security	6,690	6,892
Deferred tax asset (note 15)	12,000	87,000
Other debtors	1,982	1,407
Total due within one year	20,672	95,299
Total due after one year – other debtors	101,500	-

The debtor greater than one year is in relation to the deposit paid on Wesley Street following the lease agreement put into place. The lease required a deposit for 6 months rent. This deposit is not due to be returned to Realpower before expiry of the lease in 2026.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

12 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	718	3,361
Amounts owed to group undertakings	5,821,571	2,108,214
Corporation tax	90,844	167,045
Other taxation and social security	8,270	7,939
Other creditors	115	-
Accruals and deferred income	369,366	10,572
	6,290,884	2,297,131

Amounts owed to group undertakings of £1,139,820 (2011 £1,419,815) are unsecured, interest free and repayable on demand. The balance is unsecured with interest payable at 2.75% over Bank of England base rate and repayable on demand.

13 Leasing commitments

Annual commitments under operating leases at 31 March 2012 were as follows

	Land and buildings	
	2012	2011
	£	£
Expiring within one year	-	-
Expiring after one year, but within five years	-	-
Expiring after five years	310,000	135,000
	310,000	135,000

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

14 Called up share capital

	2012	2011
	£	£
Authorised		
206,233 ordinary shares of £1 each	206,233	206,233
Allotted and fully paid		
206,233 ordinary shares of £1 each	206,233	206,233

15 Deferred tax asset

	2012	2011
	£	£
At start of period	87,000	24,000
Deferred tax credit in profit & loss account for period (note 8)	(75,000)	63,000
At end of period	12,000	87,000

Deferred taxation provided in the financial statements is as follows

	2012	2011
	£	£
Accelerated capital allowances	11,000	87,000
Short term timing differences	1,000	-
	12,000	87,000

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in full in these financial statements

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

16 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 April 2011	1,078,647	1,810,052
Profit for the financial year	-	147,775
At 31 March 2012	1,078,647	1,957,827

During the year no dividends (2011 £nil) were paid At the year end no dividends (2011 £nil) were proposed

17 Reconciliation of movement in total shareholders' funds

	2012	2011
	£	£
Profit for the financial year	147,775	388,701
Opening total shareholders' funds	3,094,932	2,706,231
Closing total shareholders' funds	3,242,707	3,094,932

18 Contingent liabilities

The company, together with certain other DCC Group companies, participates in cash pooling arrangements with National Westminster Bank plc in respect of which National Westminster Bank plc has the right to offset overdraft balances against cash balances The company had a cash balance of £151,169 at 31 March 2012 with National Westminster Bank plc (cash balance £26,797 as at 31 March 2011)

19 Related party transactions

The company has taken advantage of the relief available under Financial Reporting Standard 8 "Related Party Disclosures" not requiring disclosure of transactions with wholly owned entities that are fellow group companies or investees of the group qualifying as related parties

The company is related to DCC Holdings (UK) Limited by virtue of it being a fellow group undertaking of the ultimate parent company DCC plc During the year the company incurred interest charges of £95,898 (2011 £22,977) on an intercompany loan from DCC Holdings (UK) Limited At the year end the company had balances due to DCC Holdings (UK) Limited of £4,681,751 (2011 £688,399)

The company is related to DCC Management Services Limited by virtue of it being a fellow group undertaking of the ultimate parent company DCC plc During the year the company paid £2,714 (2011 £2,645) for tax compliance fees At the year end the company had balances due to DCC Management Services Limited of £nil (2011 £2,645)

The spouse of a director is employed by Realpower Limited During 2012 she earned £26,517 (2011 £12,425) for the services she performed for the company

Realpower Limited

Notes to the financial statements for the year ended 31 March 2012 (continued)

19 Related party transactions (continued)

The company paid rental payments of £16,888 to Mr JF Abraham and his spouse during the year. Mr JF Abraham is holding a rental deposit of £17,500 at year end.

Mr JF Abraham was a director of Maxi Waste Limited in the financial year, a fellow group undertaking. Mr JF Abraham is also the controlling shareholder & a director of Abraham Property Developments Limited, a company which charged rent of £70,000 to the company during the year. No amounts were outstanding to Abraham Property Developments Limited at year end (2011: £nil), but Abraham Property Developments Limited was holding a rental deposit of £84,000 at year end.

20 Parent and ultimate controlling party

At 31 March 2012 the company's immediate parent company was DCC Environmental Britain Limited, a company incorporated in the Republic of Ireland.

The ultimate parent undertaking and controlling party is DCC plc, a company registered in the Republic of Ireland which is the parent undertaking of the smallest and largest group to consolidate these financial statements. 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.