

Realpower Limited

Annual report and financial statements
for the year ended 31 March 2014

Registered number: 04727708

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Realpower Limited

Annual report and financial statements for the year ended 31 March 2014

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Realpower Limited

Company information

Directors

PR Needham
T Davy
MT Tracey
NB Cole

Company secretary

NB Cole

Registered office

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

Independent auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

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

Strategic report for the year ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014.

Principal activity

The company's principal activities during the year were that of a property holding company and provision of management services.

Review of the business

All income is derived from the company's main trading subsidiary, Wastecycle Limited, either as management fees or rental income. Income is down on last year due to a lower management charge in the current year.

Costs comprise rental of land in both Nottingham and Leicester, director's remuneration, management of owned land in Nottingham and interest paid on group borrowings.

Principal risks and uncertainties

Risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management and DCC plc internal audit. Compliance with regulation, legal and ethical standards is a high priority for the company.

By order of the Board



NB Cole
Company Secretary
7th November 2014

Realpower Limited

Directors' report for the year ended 31 March 2014

The directors present their Annual Report, together with the audited financial statements of the company for the year ended 31 March 2014.

Results and dividends

The trading profit for the year, after taxation, amounted to £0.03m (2013: £0.20m). No dividends were paid during the year (2013: £nil). No dividends were proposed at the year end (2013: £nil).

Indemnity

The Company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors. The Company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purpose of section 234 ((2) – (6)) of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

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

Company secretary

NB Cole

Realpower Limited

Directors' report for the year ended 31 March 2014 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 prepared 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.

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

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



NB Cole
Company Secretary
7th November 2014

Independent auditors' report to the members of Realpower Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Wastecycle Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 ISAs (UK & 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.



Jas Khela (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

7th November 2014

**Profit and loss account
for the financial year ended 31 March 2014**

	Notes	2014 £000	2013 £000
Administrative expenses		(673)	(599)
Other operating income	2	904	1,179
Operating profit	3	231	580
Interest payable and similar charges	6	(139)	(148)
Profit on ordinary activities before taxation	3	92	432
Tax on profit on ordinary activities	7	(57)	(187)
Profit for the financial year	15	35	245

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 years 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 years 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 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible fixed assets	8	3,508	3,662
Investments	9	5,464	5,464
		8,972	9,125
Current assets			
Debtors	10	97	98
Debtors falling due after more than one year	10	102	102
Cash at bank and in hand		145	261
		344	461
Creditors: amounts falling due within one year	11	(5,793)	(6,098)
Net current liabilities		(5,449)	(5,637)
Net assets		3,523	3,488
Capital and reserves			
Called-up share capital	13	206	206
Share premium account	15	1,079	1,079
Profit and loss account	15	2,238	2,203
Total shareholders' funds	16	3,523	3,488

The financial statements on pages 6 to 22 were approved by the Board of Directors on 7th November 2014 and were signed on its behalf by:



PR Needham
Director

Realpower Limited, Registered Number: 04727708

Realpower Limited

Cash flow statement for the year ended 31 March 2014

	Note	2014	2013
		£'000	£'000
Net cash inflow from operating activities	(a)	169	408
Returns on investments and servicing of finance			
Interest paid		(148)	(148)
Net cash flow from returns on investments and servicing of finance		(148)	(148)
Taxation		(137)	(137)
Capital expenditure		-	
Purchase of tangible fixed assets		-	(13)
Net cash outflow from capital expenditure		-	(13)
Increase in net cash in the year	(b)	(116)	110

Reconciliation of net cash flow to movement in net funds

	2014	2013
	£'000	£'000
Increase/ (decrease) in cash in the year	(116)	110
Opening net funds	261	151
Closing net funds	145	261

Realpower Limited

Notes to the cash flow statement for the year ended 31 March 2014

a) Reconciliation of operating profit to net cash inflow from operating activities

	2014 £'000	2013 £'000
Operating profit	231	580
Depreciation	154	148
(Increase) in debtors	(1)	(80)
(Decrease) in creditors	(215)	(240)
Net cash inflow from operating activities	169	408

b) Analysis of net funds

	At 1 April 2013 £'000	Cash flow £'000	Non-cash movements £'000	At 31 March 2014 £'000
Cash at bank and in hand	261	(116)	-	145

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014

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.

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.

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.

Other operating income

Other operating income represents management charges receivable from Wastecycle Limited for the Managing Director's time and rents receivable from Wastecycle Limited for its occupation of land leased from third party landlords and land owned by Realpower Limited, as set out in Note 2.

For management charges, revenue is recognised on a straight line basis each month, based on expected annual costs.

For rents receivable, revenue is recognised based on occupancy of the rental premises, over the period of the relevant rental agreements.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (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.

2 Other operating income

	2014	2013
	£000	£000
Management charges (note 18)	395	741
Rents receivable (note 18)	509	438
	904	1,179

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 2014 (continued)

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following:

	2014	2013
	£000	£000
Operating lease charges – land and buildings	310	310
Depreciation of owned tangible fixed assets	154	148
Services provided by the company's independent auditor		
Auditors' remuneration	3	3
Fees payable for non-audit services	-	-

4 Directors' emoluments

	2014	2013
	£000	£000
Aggregate emoluments	140	154
Pension costs	12	12
	152	166

Retirement benefits are accruing to one (2013: one) director under a defined contribution scheme. The remaining three directors received no remuneration from the company during the year (2013: £nil).

5 Staff costs

The aggregate payroll costs including directors' emoluments were as follows:

	2014	2013
	£000	£000
Wages and salaries	159	161
Social security costs	20	22
Other pension costs	13	13
	192	196

There was one employee during the year apart from the director (2013: one).

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

6 Interest payable and similar charges

	2014	2013
	£000	£000
Interest payable to group undertakings	139	148

7 Tax on profit on ordinary activities

	2014	2013
	£000	£000
Current tax		
UK Corporation tax	56	138
Adjustment in respect of prior years	(1)	46
Total current tax	55	184
Deferred taxation		
Origination and reversal of timing differences	1	1
Impact of change in rates	1	1
Adjustment in respect of prior years	-	1
Total deferred tax charge	2	3
Tax on profit on ordinary activities	57	187

Factors affecting the tax for the year

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK (23%) (2013: 24%). The differences are explained below:

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

7 Tax on profit on ordinary activities (continued)

	2014	2013
	£000	£000
Profit on ordinary activities before taxation	92	432
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 23% (2013: 24%)	21	104
Effects of		
Expenses not deductible for tax purposes	36	35
Accelerated capital allowances and other timing differences	(1)	(1)
Adjustments in respect of prior years	(1)	46
Current tax for the year	55	184

Factors that may affect future tax charges

The standard rate of Corporation tax in the UK reduced from 24% to 23% with effect from 1 April 2013. Accordingly the group's profits for this accounting period are taxed at an effective rate of 23%. The rate of writing down allowances on the main pool of plant and machinery and on the special rate pool fell from 20% and 10% reducing balance basis to 18% and 8% respectively from 1 April 2012. The March 2012 Budget Announcement proposed that the main rate of Corporation tax would be reduced to 24% from 1 April 2012 and 23% from 1 April 2013, with a further reduction of the rate to 21% by 1 April 2014. The March 2013 Budget Announcement included a further proposal to reduce the main rate of Corporation tax to 20% from 1 April 2015. As this change of the reduction to 20% from 1 April 2015 has been substantively enacted at the balance sheet date the deferred tax asset/liability has been re-measured to reflect the reduced tax rate of 20%.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

8 Tangible fixed assets

	Land and buildings long leasehold	Land and buildings freehold	Total
	£000	£000	£000
Cost			
At 1 April 2013 and 31 March 2014	2,129	2,416	4,545
Accumulated depreciation			
At 1 April 2013	669	214	883
Charge for the year	107	47	154
At 31 March 2014	776	261	1,037
Net book value			
At 31 March 2014	1,353	2,155	3,508
At 31 March 2013	1,460	2,202	3,662

The net book value of freehold land at 31 March 2014 and 31 March 2013 was £1,277,897.

9 Investments

	Interests in subsidiary undertakings
	£000
Cost at 31 March 2014	11,777
Amortisation as at 31 March 2014	(6,313)
Net book value at 31 March 2014	5,464

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.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

9 Investments (continued)

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	Dormant	England and Wales	Ordinary	100
UK Recycling Limited	Dormant	England and Wales	Ordinary	100
UK Materials Limited	Dormant	England and Wales	Ordinary	100

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.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

10 Debtors

	2014	2013
	£000	£000
Other taxation and social security	14	14
Deferred tax asset (note 14)	7	9
Other debtors	76	75
Total due within one year	97	98
Total falling due after more than one year – other debtors	102	102

The debtor falling due after more 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 Limited before expiry of the lease in 2026.

11 Creditors: amounts falling due within one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	5,640	5,875
Corporation tax	56	138
Other taxation and social security	9	8
Accruals and deferred income	88	77
	5,793	6,098

Amounts owed to group undertakings of £1,364,648 (2013: £1,341,018) 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.

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

12 Leasing commitments

Annual commitments under operating leases at 31 March 2014 were as follows:

	Land and buildings	
	2014	2013
	£000	£000
Expiring after five years	310	310
	310	310

13 Called up share capital

	2014	2013
	£000	£000
Allotted and fully paid		
206,233 ordinary shares of £1 each	206	206

14 Deferred tax asset

	2014	2013
	£000	£000
At start of period	9	12
Deferred tax credit in profit & loss account for period (note 7)	(2)	(3)
At end of period	7	9

Deferred taxation provided in the financial statements is as follows:

	2014	2013
	£000	£000
Accelerated capital allowances	7	9
	7	9

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 2014 (continued)

15 Reserves

	Share premium account	Profit and loss account
	£000	£000
At 1 April 2013	1,079	2,203
Profit for the financial year	-	35
At 31 March 2014	1,079	2,238

16 Reconciliation of movement in total shareholders' funds

	2014	2013
	£000	£000
Profit for the financial year	35	245
Opening total shareholders' funds	3,488	3,243
Closing total shareholders' funds	3,523	3,488

17 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 £144,639 at 31 March 2014 with National Westminster Bank plc (cash balance £260,750 as at 31 March 2013).

Realpower Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

18 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 £139,380 (2013: £147,989) on an intercompany loan from DCC Holdings (UK) Limited. At the year end the company had balances due to DCC Holdings (UK) Limited of £4,275,232 (2013: £4,533,842).

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 £1,825 (2013: £2,666) for tax compliance fees. At the year end the company had balances due to DCC Management Services Limited of £ nil (2013: £ nil).

The spouse of a director is employed by Realpower Limited. During 2014 she earned £20,958 (2013: £20,799) for the services she performed for the company.

19 Parent and ultimate controlling party

At 31 March 2014 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, Leopardstown Road, Foxrock, Dublin 18, Ireland.