

Realpower Limited

**Annual report and financial
statements**

Registered number 04727708

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Director and other information

Directors	PR Needham MT Tracey NB Cole TJ Walsh
Company secretary	NB Cole
Independent auditor	KPMG LLP St Nicholas House, 31 Park Row, Nottingham, NG1 6FQ
Solicitors	Gateley LLP One Eleven Edmund Street Birmingham B3 2HJ Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Registered office	Enviro Building Private Road No 4 Colwick Industrial Estate Nottingham NG4 2JT
Registered Number	04727708

Strategic report

for the year ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

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 rental income or dividend income. Income is higher than last year due to the payment of a dividend by Wastecycle Limited of £1,200,000 in the year with profit for the year of £1,397,000 (2016; £235,000).

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

Key performance indicators

The directors of DCC plc manage the Group's operation on a divisional basis. For this reason, and given the nature of the Company as predominantly a holding company, 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.

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.

The key business risks and uncertainties affecting the Company are considered to relate to continued success of Wastecycle Limited's businesses as the Company is a property management company deriving its income from management services provided to and properties occupied by Wastecycle Limited.

Post balance sheet events

As announced by DCC plc on 5 April 2017, the DCC plc Group reached agreement to dispose of its Environmental division. Wastecycle Limited represents a part of this division. The transaction is expected to complete in the quarter to 30 June 2017, following receipt of competition clearance from the Irish competition authority.

By order of the Board



NB Cole
Company Secretary

Dated: 24th May 2017

Directors' report

for the year ended 31 March 2017

The directors present their Annual Report, together with the audited financial statements of the company for the year ended 31 March 2017.

Results and dividends

The trading profit for the year, after taxation, amounted to £1,397,000 (2016: £235,000). No dividends were paid during the year (2016: £nil). No dividends were proposed at the year end (2016: £nil). Dividends received amounted to £1,200,000 (2016: £nil).

The balance sheet on page 7 shows that the company has net assets of £5.5 million (2016: £4.1 million).

Future developments

The directors consider that the company will continue to provide management and property services to Wastecycle Limited for the foreseeable future.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The most relevant financial risks for the Company are interest rate risk and cash flow risk. However, due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors do not consider these risks to be of any significance.

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 they believe 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 (resigned 19 October 2016)

MT Tracey

NB Cole

TJ Walsh (appointed 19 October 2016)

Company secretary

NB Cole

Statement of disclosure of information to auditor

As far as each of the directors is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

By order of the Board



NB Cole

Company Secretary

Dated: 24th May 2017

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

The directors are responsible for preparing the Strategic Report the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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



Independent auditor's report to the members of Realpower Limited

We have audited the financial statements of Realpower Limited for the year ended 31 March 2017 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.

Colin Brearley (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Dated: 24 May 2017

Profit and loss account
for the year ended 31 March 2017

	<i>Note</i>	2017 £000	2016 £000
Administrative expenses		(901)	(886)
Other operating income	2	1,325	1,362
Operating profit	3	424	476
Income from shares in group undertakings		1,200	-
Interest payable and similar expenses	6	(128)	(142)
Profit before taxation		1,496	334
Tax on profit	7	(99)	(99)
Profit for the financial year		1,397	235

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

The company has no other comprehensive income other than the profit for the financial years stated above and therefore no separate statement of other comprehensive income has been presented.

There is no material 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.

Balance sheet
as at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investment properties	8	3,236	3,402
Investments	9	5,464	5,464
		<u>8,700</u>	<u>8,866</u>
Current assets			
Debtors	10	731	62
Debtors falling due after more than one year	10	102	102
Cash at bank and in hand		27	279
		<u>860</u>	<u>443</u>
Creditors: amounts falling due within one year	11	<u>(4,015)</u>	<u>(5,161)</u>
Net current liabilities		<u>(3,155)</u>	<u>(4,718)</u>
Net assets		<u><u>5,545</u></u>	<u><u>4,148</u></u>
Capital and reserves			
Called-up share capital	14	206	206
Share premium account		1,079	1,079
Profit and loss account		4,260	2,863
Total shareholders' funds		<u><u>5,545</u></u>	<u><u>4,148</u></u>

The financial statements were approved by the Board of Directors on 24th May 2017 and were signed on its behalf by:



PR Needham
Director

Realpower Limited, Registered Number: 04727708

Statement of changes in equity
for the year ended 31 March 2017

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	206	1,079	2,628	3,913
Total comprehensive income for the year				
Profit	-	-	235	235
Total comprehensive income for the year	-	-	235	235
Balance at 31 March 2016	206	1,079	2,863	4,148
Balance at 1 April 2016	206	1,079	2,863	4,148
Total comprehensive income for the year				
Profit	-	-	1,397	1,397
Total comprehensive income for the year	-	-	1,397	1,397
Balance at 31 March 2017	206	1,079	4,260	5,545

Notes to the financial statements

for the year ended 31 March 2017

1 Accounting policies

Realpower Limited (the “Company”) is a company incorporated, domiciled and registered in England in the UK. the registered number is 04727708 and the registered address is: Enviro Building, Private Road No. 4, Colwick Industrial Estate, Nottingham, NG4 2JT.

The Company is exempt by virtue of 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU IFRS, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, DCC plc, includes the Company in its consolidated financial statements. The consolidated financial statements of DCC plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of DCC plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The directors do not consider there to be any judgements in the applications of these accounting policies that would have a significant effect on the financial statements and estimates with a significant risk of material adjustment next year.

Notes (continued)

1 Accounting policies (continued)

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and such forecasts have indicated that sufficient funds should be available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As a result, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account

1.4. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Investments equity securities

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

Notes (continued)

1 Accounting policies (continued)

1.6. Investment properties and depreciation

Investment properties are leased to other group companies and are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold land	0%
Freehold buildings	4% or 5% straight line
Land and buildings long leasehold	5% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7. Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

Notes (continued)

1 Accounting policies (continued)

1.7. Impairment excluding stocks, investment properties and deferred tax assets (continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.9. Other operating income

Other operating income represents management charges receivable from Wastecycle Limited for the Directors' 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.

1.10. Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and interest payable

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.11. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Other operating income

	2017 £000	2016 £000
Management charges	933	909
Rents receivable	392	453
	<u>1,325</u>	<u>1,362</u>

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.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017 £000	2016 £000
Operating lease charges	193	253
Depreciation of investment property	171	177
	<u>3</u>	<u>3</u>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	<u>3</u>	<u>3</u>

Notes (continued)

4 Staff costs

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

	2017 £000	2016 £000
Wages and salaries	423	357
Social security costs	72	61
Other pension costs	37	36
	<u>532</u>	<u>454</u>

There were two employees during the year apart from the directors (2016: two).

All pension costs were to employees' personal pension schemes. There were no amounts outstanding at 31 March 2017 (2016: £nil).

5 Directors' emoluments

	2017 £000	2016 £000
Directors' remuneration	326	272
Company contributions to money purchase pension plans	23	22
	<u>349</u>	<u>294</u>

Retirement benefits are accruing to two (2016: two) directors under a defined contribution scheme. Two directors (2016: two) received no remuneration from the company during the year. The remaining two directors receive their remuneration from DCC plc or its associated entities and no amounts are payable in respect of services attributable to Realpower Limited.

	2017 £000	2016 £000
Highest paid director		
Directors' remuneration	196	160
Company contributions to money purchase pension plans	14	13
	<u>210</u>	<u>173</u>

6 Interest payable and similar expenses

	2017 £000	2016 £000
Interest payable to group undertakings	<u>128</u>	<u>142</u>

Notes (continued)

7 Taxation

Recognised in the profit and loss account

	2017 £000	2016 £000
<i>UK corporation tax</i>		
Current tax on income for the period	93	100
Adjustment in respect of prior years	(2)	(3)
	<u>91</u>	<u>97</u>
<i>Deferred tax (see note 12)</i>		
Origination and reversal of timing differences	1	1
Reduction in tax rate	-	1
Adjustment in respect of prior years	7	-
	<u>8</u>	<u>2</u>
Tax on profit	<u>99</u>	<u>99</u>

Reconciliation of effective tax rate

The tax assessed for the year is lower (2016: higher) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit for the year	1,397	235
Total tax expense	99	99
	<u>1,496</u>	<u>334</u>
Profit excluding taxation		
Tax using the UK corporation tax of 20% (2016: 20%)	299	67
Non deductible expenses	35	34
Non-taxable dividend income	(240)	-
Change in tax rate	-	1
Adjustments in respect of prior years	5	(3)
	<u>99</u>	<u>99</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2017 has been calculated based on these rates.

Notes (continued)

8 Investment properties

	Land and buildings freehold £000
Cost	
At 1 April 2016	4,778
Additions	5
At 31 March 2017	4,783
Accumulated depreciation	
At 1 April 2016	1,376
Charge for the year	171
At 31 March 2017	1,547
Net book amount	
At 31 March 2017	3,236
At 31 March 2016	3,402

The net book amount of freehold land at 31 March 2017 and 31 March 2016 was £1,276,897.

The fair value of the investment properties is not disclosed as in the view of the Directors this cannot reasonably be estimate due to the specialist nature of the site; i.e. used by Wastecycle Limited as a multi-faceted waste recycling facility.

9 Investments

	Interests in subsidiary undertakings £000
Cost at 1 April 2016 and 31 March 2017	11,777
Impairment at 1 April 2016 and 31 March 2017	(6,313)
Net book value at 31 March 2016 and 31 March 2017	5,464

Notes (continued)

9 Investments (continued)

In the opinion of the Directors, the aggregate value of the company's investments in subsidiary undertakings is not less than the amount included in the balance sheet. The Company has the following investments in subsidiaries:

Company Subsidiary undertaking	Principal activity	Country of registration or incorporation	Registered office	Shares held Class	2017	2016
Wastecycle Limited	Waste collection and recycling	England and Wales	Enviro Building Private Road No 4, Colwick Industrial Estate Colwick, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%
Wesley Waste Limited	Dormant	England and Wales	Enviro Building Private Road 4 Colwick, Colwick Industrial Estate, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%
UK Recycling Limited	Dormant	England and Wales	Enviro Building Private Road No 4, Colwick Industrial Estate Colwick, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%
UK Materials Limited	Dormant	England and Wales	Enviro Building Private Road 4 Colwick, Colwick Industrial Estate, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%

Indirect holdings

Company Subsidiary undertaking	Principal activity	Country of registration or incorporation	Registered office	Shares held Class	2017	2016
Maxi Waste Limited	Dormant	England and Wales	Enviro Building Private Road No 4, Colwick Industrial Estate Colwick, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%
Toton Aggregates Limited	Dormant	England and Wales	Enviro Building Private Road No 4, Colwick Industrial Estate Colwick, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%
Tollerton Skip Hire Limited	Dormant	England and Wales	Enviro Building Private Road 4 Colwick, Colwick Industrial Estate, Nottingham, Nottinghamshire, NG4 2JT	Ordinary	100%	100%

Notes (continued)

10 Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	672	-
Other taxation and social security	8	8
Deferred tax asset (note 12)	-	5
Other debtors	51	49
Total due within one year	731	62
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

	2017 £000	2016 £000
Amounts owed to group undertakings	3,454	4,892
Corporation tax – HMRC	93	-
Corporation tax – Group Relief	-	100
Deferred tax liability (note 12)	3	-
Other taxation and social security	25	23
Accruals and deferred income	440	146
	4,015	5,161

Of amounts owed to group undertakings, £99 (2016: £714,882) are unsecured, interest free and repayable on demand. The remainder is unsecured with interest payable at 2.75% over Bank of England base rate and repayable on demand.

12 Deferred tax asset/(liability)

	2017 £000	2016 £000
At start of year	5	7
Deferred tax credit in profit and loss account for period (note 7)	(8)	(2)
At end of year	(3)	5

Deferred taxation provided in the financial statements is as follows:

	2017 £000	2016 £000
Accelerated capital allowances	(3)	5

Notes (continued)

13 Employee benefits

Defined contribution plans

The company operates a defined contribution pension plan. The total expense relating to this plan in the current year was £37,000 (2016: £36,000).

14 Called up share capital

	2017 £000	2016 £000
<i>Allotted and fully paid</i>		
206,233 ordinary shares of £1 each	206	206
	<u>206</u>	<u>206</u>

15 Contingencies

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 £26,884 at 31 March 2017 with National Westminster Bank plc (2016: £278,984).

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings 2017 £000	2016 £000
Less than one year	193	193
Between one and five years	771	700
More than five years	836	933
	<u>1,800</u>	<u>1,826</u>

17 Related party transactions

The company has taken advantage of the relief available under FRS101.8(k) in respect of Related Party Disclosures and does not disclose transactions with wholly owned entities that are fellow group companies.

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 £19,704 (2016: £141,614) on an intercompany loan from DCC Holdings (UK) Limited. At the year end the company had balances due to DCC Holdings (UK) Limited of £nil (2016: £4,177,468).

The company is related to DCC Environmental Britain 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 £107,817 (2016: £nil) on an intercompany loan from DCC Environmental Britain Limited. At the year end the company had balances due to DCC Environmental Britain Limited of £3,453,714 (2016: £nil).

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 £1,258 (2016: £1,131) for tax compliance fees. At the year end the company had balances due to DCC Management Services Limited of £nil (2016: £nil).

Notes *(continued)*

18 Post balance sheet events

As announced by DCC plc on 5 April 2017, the DCC plc Group reached agreement to dispose of its Environmental division. Wastecycle Limited represents a part of this division. The transaction is expected to complete in the quarter to 30 June 2017, following receipt of competition clearance from the Irish competition authority.

19 Parent and ultimate controlling party

At 31 March 2017 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.