

COMPANIES HOUSE COPY

Red Industries Holdings Limited

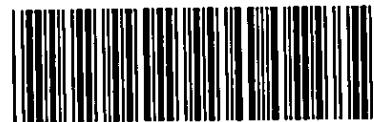
Report and Financial Statements

Year Ended

31 December 2011

Company Number 07099708

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COMPANIES HOUSE

Red Industries Holdings Limited

Report and financial statements for the year ended 31 December 2011

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Directors

A Share
P Ratcliffe
D J Scott
J M Clewes
T P A Wilson
A Clapperton

Secretary and registered office

A Clapperton, Sneyd Hill, Burslem, Stoke-on-Trent, Staffordshire, ST6 2DZ

Company number

07099708

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Red Industries Holdings Limited

Report of the directors for the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Principal activities, review of business and future developments

The principal activity of the group is that of hazardous waste management

The principal activity of the company is the lease of plant and equipment to its subsidiaries

The group has performed profitably and satisfactorily in a competitive marketplace subject to fluctuating manufacturing demand. The turnover for the year was £8,216,384 (2010 - £6,916,605) and the profit after tax was £374,518 (2010 - loss after tax of £86,231). Continued profitability is expected throughout 2012.

The group closely monitors its disposal costs, its environmental regulations and overhead costs with a continuing cost improvement programme being undertaken to reduce and maintain cost wherever possible.

The group has prepared forecasts detailing their ongoing ability to trade profitably. These forecasts take into account the key business risks which remain the competitive marketplace, continuing uncertain macro-economic climate, level of environmental legislation and cost of waste disposal.

The group has suitably adequate finance facilities, including an agreed overdraft and continuing shareholder and cross-company/inter-group support. The directors are not aware of any reason why these might be withdrawn and as a result have adopted the basis of going concern.

Principal risks and uncertainties

Economic and political climate

Competitive market pressures, especially related to manufacturing, provide the key commercial risks and uncertainties to the group. Close monitoring of external commercial indicators of performance ensure the group is well placed to manage this risk.

Regulatory environment

The group is subject to stringent environmental legislation impacted by national and European legislative frameworks. The group is regulated by and works closely with the Environment Agency and the Scottish Environmental Protection Agency to ensure such wide ranging regulations are met.

The group has triple BSI accreditation and undergoes extensive audit checks for BSI9001, BSI14001 and BSI18001 to provide external clarification and verification of the robustness of systems.

The group is also a committed member of the Responsible Care Programme under its membership of the Chemical Industries Association.

Financial instruments

Credit

Group credit risk is managed by the implementation of a credit control function. Credit checking is carried out via the use of external agency services, credit scoring and credit management systems implemented within the company.

Red Industries Holdings Limited

Report of the directors for the year ended 31 December 2011 (*continued*)

Charitable and political contributions

During the year the group made charitable contributions of £4,249 (2010 - £2,731) There were no political contributions

Directors

The directors of the company during the year were

A Share
P Ratcliffe
D J Scott
J M Clewes
T P A Wilson (appointed 1 September 2011)
A Clapperton (appointed 1 September 2011)

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 group and company 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 group and company and of the profit or loss of the group 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,
- 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

Red Industries Holdings Limited

Report of the directors for the year ended 31 December 2011 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



A Clapperton
Secretary

26/09/2012

Red Industries Holdings Limited

Independent auditor's report

To the members of Red Industries Holdings Limited

We have audited the financial statements of Red Industries Holdings Limited for the year ended 31 December 2011 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses 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).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's 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 matters 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.

Red Industries Holdings Limited

Independent auditor's report (*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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

BDO LLP

Graham Whittaker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

26.9.12

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Red Industries Holdings Limited

Consolidated profit and loss account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £
Turnover	2	8,216,384	6,916,605
Cost of sales		5,514,578	4,858,137
Gross profit		2,701,806	2,058,468
Administrative expenses		2,194,729	2,114,633
Group operating profit/(loss)	3	507,077	(56,165)
Interest payable and similar charges	6	(76,374)	(75,556)
Profit/(loss) on ordinary activities before taxation		430,703	(131,721)
Taxation on profit/(loss) on ordinary activities	7	(56,185)	45,490
Profit/(loss) on ordinary activities after taxation		374,518	(86,231)

All amounts relate to continuing activities

There is no material difference between historical profit or loss and the result reported

The notes on pages 11 to 31 form part of these financial statements

Red Industries Holdings Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £
Consolidated statement of total recognised gains and losses			
Profit/(loss) for the financial year/period		374,518	(86,231)
Unrealised deficit on revaluation of freehold land and buildings	18	(9,824)	-
Total recognised gains and losses for the financial year/period		364,694	(86,231)
Prior year adjustments			
Restatement of consolidation	26	(224,923)	
Total gains and losses recognised since last financial statements		139,771	

The notes on pages 11 to 31 form part of these financial statements

Red Industries Holdings Limited

Consolidated balance sheet at 31 December 2011

<i>Company number 07099708</i>	Note	31 December 2011 £	31 December 2011 £	31 December 2010 As restated £	31 December 2010 As restated £
Fixed assets					
Intangible assets	9		859,660		916,770
Tangible assets	10		1,611,593		1,702,683
			<u>2,471,253</u>		<u>2,619,453</u>
Current assets					
Debtors	12	2,378,601		1,803,192	
Cash at bank and in hand		105,331		52,300	
		<u>2,483,932</u>		<u>1,855,492</u>	
Creditors: amounts falling due within one year	13	3,017,093		2,791,015	
		<u></u>		<u></u>	
Net current liabilities			(533,161)		(935,523)
			<u></u>		<u></u>
Total assets less current liabilities			1,938,092		1,683,930
Creditors: amounts falling due after more than one year	14	870,634		996,151	
Provisions for liabilities	15	44,905		29,920	
		<u></u>		<u></u>	
			915,539		1,026,071
			<u>1,022,553</u>		<u>657,859</u>
Capital and reserves					
Called up share capital	17		1,000		1,000
Revaluation reserve	18		43,569		53,393
Profit and loss account	18		977,984		603,466
			<u></u>		<u></u>
Shareholders' funds	19		1,022,553		657,859
			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 26/09/2012

A Clapperton
Director



The notes on pages 11 to 31 form part of these financial statements

Red Industries Holdings Limited

Company balance sheet at 31 December 2011

Company number 07099708

	Note	31 December 2011 £	31 December 2011 £	31 December 2010 As restated £	31 December 2010 As restated £
Fixed assets					
Tangible assets	10		273,524		363,145
Fixed asset investments	11		1,508,031		1,508,031
			<u>1,781,555</u>		<u>1,871,176</u>
Current assets					
Debtors	12	21,752		9,683	
Cash at bank and in hand		8		5	
		<u>21,760</u>		<u>9,688</u>	
Creditors' amounts falling due within one year	13	<u>222,490</u>		<u>220,163</u>	
Net current liabilities			<u>(200,730)</u>		<u>(210,475)</u>
Total assets less current liabilities			<u>1,580,825</u>		<u>1,660,701</u>
Creditors' amounts falling due after more than one year	14	<u>1,563,637</u>		<u>1,656,387</u>	
Provisions for liabilities	15	<u>-</u>		<u>54</u>	
			<u>1,563,637</u>		<u>1,656,441</u>
			<u>17,188</u>		<u>4,260</u>
Capital and reserves					
Called up share capital	17		1,000		1,000
Profit and loss account	18		16,188		3,260
Shareholders' funds	19		<u>17,188</u>		<u>4,260</u>

The financial statements were approved by the board of directors and authorised for issue on 26/09/2012

A Clapperton
Director

The notes on pages 11 to 31 form part of these financial statements

Red Industries Holdings Limited

Consolidated cashflow statement for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £	Period ended 31 December 2010 As restated £
Net cash inflow from operating activities	23		379,811		272,195
Returns on investments and servicing of finance					
Interest paid bank loans		(35,577)		(30,434)	
Interest paid hire purchase		(40,797)		(45,122)	
Net cash outflow from returns on investments and servicing of finance			(76,374)		(75,556)
Taxation					
Corporation tax paid			(1,178)		(162,150)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(1,280)		(6,286)	
Payments to acquire tangible fixed assets		(175,774)		(76,685)	
Receipts from sale of tangible fixed assets		29,937		9,122	
Net cash outflow from capital expenditure and financial investment			(147,117)		(73,849)
Cash inflow/(outflow) before use of financing			155,142		(39,360)
Financing					
New loans		-		131,670	
Loans repaid		(26,485)		(172,499)	
Capital element of finance leases repaid		(68,970)		39,492	
Net cash outflow from financing			(95,455)		(1,337)
Increase/(Decrease) in cash	24		59,687		(40,697)

The notes on pages 11 to 31 form part of these financial statements

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going concern

The group's business activities, together with factors likely to affect its future development, performance and position are set out in the Business Review on page 1

The current economic outlook remains challenging to moderate, dependant on macro-economic demand factors linked to manufacturing though continued profitability is expected throughout 2012

The group closely monitors its disposal costs, its environmental regulations and overhead costs with a continuing cost improvement programme being undertaken to reduce and maintain cost wherever possible

The group meets its day to day working capital requirements through bank overdrafts and other facilities. The group has renewed its facilities until 31 July 2013 and the directors consider that the extension of these facilities will be forthcoming on acceptable terms

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group will be able to operate within the levels of its current facilities

After considering the risks and uncertainties described above, the directors have a reasonable expectation that they have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the annual report and accounts

Basis of consolidation

The consolidated financial statements incorporate the results of Red Industries Holdings Limited and all of its subsidiary undertakings as at 31 December 2011 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition

Merger accounting

Where merger accounting is used, the investment is recorded in the company's balance sheet at the nominal value of the shares issued together with the fair value of any additional consideration paid

In the group financial statements, merged subsidiary undertakings are treated as if they had always been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous balance sheet date and the shares issued by the company as consideration as if they had always been in issue. Any difference between the nominal value of the shares acquired by the company and those issued by the company to acquire them is taken to reserves

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Income is recognised at the date of receipt of waste from customers

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (*continued*)

1 Accounting policies (*continued*)

Intangible fixed assets

The directors have considered each constituent component of intangible assets separately to determine the appropriate amortisation in order that the financial statements provide a true and fair view

Purchased goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised

The goodwill arising on the acquisition of subsidiary undertakings is written off evenly over 20 years as in the opinion of the directors this represents the period over which the goodwill is effective

Intangible fixed assets relating to the capitalisation of IPPC licence costs are amortised over 20 years, being their expected useful lives

Other licence fees acquired and capitalised are amortised over a period of 10 years

Land and buildings

Financial Reporting Standard 15 'Tangible fixed assets' requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this freehold land is subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates

Freehold buildings	- 2% - 5% per annum on cost
Leasehold improvements	- Over the life of the lease
Plant, machinery and motor vehicles	- 5% - 25% per annum on cost
Fixtures, fittings, tools and equipment	- 25% per annum on cost

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account

Research

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

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

Share-based payment

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (continued)

1 Accounting policies (continued)

Financial period

The comparative figures are for the period from 9 December 2009 to 31 December 2010

2 Turnover

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom

3 Operating profit/(loss)

	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £
This is arrived at after charging		
Depreciation of tangible fixed assets	225,133	258,791
Amortisation of positive goodwill	51,662	51,662
Amortisation of other intangible fixed assets	6,728	6,174
Hire of plant and machinery - operating leases	62,997	64,584
Hire of other assets - operating leases	139,972	143,881
Auditors' remuneration - fees payable to the group's auditor for the audit of the group's annual accounts	19,750	20,175
Research and development	240,174	201,345
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	Group Year ended 31 December 2011 £	Group Period ended 31 December 2010 £
Wages and salaries	1,760,147	1,521,462
Social security costs	175,127	147,818
Other pension costs	91,115	87,677
	<u> </u>	<u> </u>
	2,026,389	1,756,957
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year/period was 61 (2010 - 73)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

5 Directors' remuneration

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Directors' emoluments	338,351	151,974
Company contributions to money purchase pension schemes	55,365	65,119

There were 4 directors in the group's defined contribution pension scheme during the year (2010 - 2)

The total amount payable to the highest paid director in respect of emoluments was £116,859 (2010 - £98,018) Company pension contributions of £25,864 (2010 - £13,221) were made to a money purchase scheme on his behalf

6 Interest payable and similar charges

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Bank loans and overdrafts	35,577	30,434
Finance leases and hire purchase contracts	40,797	45,122
	<u>76,374</u>	<u>75,556</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

7 Taxation on profit/(loss) on ordinary activities

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
<i>UK Corporation tax</i>		
Current tax on profits of the year/period	41,200	-
Adjustment in respect of previous periods	-	(13,031)
<i>Deferred tax</i>		
Origination and reversal of timing differences	20,185	(30,345)
Adjustment in respect of previous periods	(5,200)	(2,114)
Movement in deferred tax provision	14,985	(32,459)
Taxation on profit/(loss) on ordinary activities	<u>56,185</u>	<u>(45,490)</u>

The tax assessed for the year/period is different to the standard rate of corporation tax in the UK applied to profit/(loss) before tax. The differences are explained below

	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £
Profit/(loss) on ordinary activities before tax	<u>430,703</u>	<u>(131,721)</u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 26% (2010 - 21%)	111,983	(27,661)
Effect of		
Expenses not deductible for tax purposes	35,293	31,698
Capital allowances for period in (excess)/deficit of depreciation	(5,644)	3,516
Utilisation of tax losses	(41,569)	-
Effect of change in tax rate during the year	(4,333)	-
Adjustment to tax charge in respect of previous periods	-	(13,031)
Effect of research and development claim	(47,718)	(42,283)
Losses carried forward	-	34,730
Other short term timing differences	(6,812)	-
Current tax charge/(credit) for the year/period	<u>41,200</u>	<u>·(13,031)</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

8 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £12,928 (2010 - £3,260) which is dealt with in the financial statements of the parent company.

9 Intangible fixed assets

Group

	Goodwill on consolidation £	Licences £	Total £
<i>Cost</i>			
At 1 January 2011 as previously stated	1,348,116	89,908	1,438,024
Prior year adjustment	(314,888)	-	(314,888)
At 1 January 2011 as restated	1,033,228	89,908	1,123,136
Additions	-	1,280	1,280
At 31 December 2011	1,033,228	91,188	1,124,416
<i>Amortisation</i>			
At 1 January 2011 as previously stated	274,640	21,691	296,331
Prior year adjustment	(89,965)	-	(89,965)
At 1 January 2011 as restated	184,675	21,691	206,366
Provided for the year	51,662	6,728	58,390
At 31 December 2011	236,337	28,419	264,756
<i>Net book value</i>			
At 31 December 2011	796,891	62,769	859,660
At 31 December 2010 as restated	848,553	68,217	916,770

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

10 Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold improvements £	Plant, machinery and motor vehicles £	Fixtures, fittings, tools and equipment £	Total £
<i>Cost or valuation</i>					
At 1 January 2011	627,618	520,332	1,411,662	164,356	2,723,968
Additions	-	80,022	93,753	1,999	175,774
Disposals	-	-	(96,000)	-	(96,000)
Revaluations	(10,125)	-	-	-	(10,125)
	<u>617,493</u>	<u>600,354</u>	<u>1,409,415</u>	<u>166,355</u>	<u>2,793,617</u>
<i>Depreciation</i>					
At 1 January 2011	37,618	83,880	769,150	130,637	1,021,285
Provided for the year	8,561	25,911	175,378	15,283	225,133
Disposals	-	-	(64,093)	-	(64,093)
Revaluations	(301)	-	-	-	(301)
	<u>45,878</u>	<u>109,791</u>	<u>880,435</u>	<u>145,920</u>	<u>1,182,024</u>
<i>Net book value</i>					
At 31 December 2011	<u>571,615</u>	<u>490,563</u>	<u>528,980</u>	<u>20,435</u>	<u>1,611,593</u>
At 31 December 2010	<u>590,000</u>	<u>436,452</u>	<u>642,512</u>	<u>33,719</u>	<u>1,702,683</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

10 Tangible fixed assets (*continued*)

Company

	Plant, machinery and motor vehicles £
<i>Cost</i>	
At 1 January 2011 and 31 December 2011	636,628
<i>Depreciation</i>	
At 1 January 2011	273,483
Provided for the year	89,621
At 31 December 2011	363,104
<i>Net book value</i>	
At 31 December 2011	273,524
At 31 December 2010	363,145

Included within freehold land and building is £450,000 relating to land which is not depreciated

The group owns freehold land which is held in the financial statements at valuation

The freehold property held by Red Industries (Scotland) Limited was revalued on 31 December 2011 by Graham and Sibbald, chartered surveyors, at £200,000

The freehold land held by Red Tankers Limited was valued on 1 January 2009 by GVA Grimley LLP, chartered surveyors, at £250,000

The properties were valued on an existing use open market value basis and the valuations were performed in accordance with the guidance notes issued by the Royal Institute of Chartered Surveyors for asset valuations

The historical cost of freehold land and buildings at 31 December 2011 was £571,029 (2010 - 571,029) and the accumulated depreciation based on historical cost was £57,674 (2010 - 47,754)

The net book value of tangible fixed assets includes an amount of £318,157 (2010 - £376,607) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year/period was £96,108 (2010 - £131,907)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

11 Fixed asset investments

Company

	Group undertakings £
<i>Cost</i>	
At 1 January 2011 as previously stated	1,540,241
Prior year adjustment	(32,210)
At 1 January 2011 as restated and 31 December 2011	1,508,031

Subsidiary undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Red Industries Limited	Ordinary	100%	Operation of a chemical waste management station
Red Industries (Scotland) Limited	Ordinary	100%	Operation of a chemical waste management station
Red Tankers Limited	Ordinary	100%	Haulage and transport logistics
Linkwaste TS Limited	Ordinary	100%	Dormant
Linkwaste Limited	Ordinary	100%	Dormant
Eco Link Waste Management Limited	Ordinary	100%	Dormant

12 Debtors

	Group 31 December 2011 £	Group 31 December 2010 £	Company 31 December 2011 £	Company 31 December 2010 £
Trade debtors	2,175,354	1,646,758	-	-
Amounts owed by group undertakings	-	-	19,737	9,683
Corporation tax recoverable	22	1,573	-	-
Other debtors	102,197	57,957	-	-
Prepayments and accrued income	101,028	96,904	-	-
Deferred taxation (see note 15)	-	-	2,015	-
	2,378,601	1,803,192	21,752	9,683

All amounts shown under debtors fall due for payment within one year

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

13 Creditors: amounts falling due within one year

	Group 31 December 2011 £	Group 31 December 2010 £	Company 31 December 2011 £	Company 31 December 2010 £
Bank loans and overdrafts (secured)	744,861	775,906	-	-
Trade creditors	1,405,356	1,211,936	-	-
Amounts owed to group undertakings	-	-	117,013	94,516
Corporation tax	38,471	-	5,379	-
Other taxation and social security	207,018	161,988	1,969	2,097
Obligations under finance lease and hire purchase contracts	125,033	140,711	92,879	120,550
Amounts due to related undertakings	90,709	92,398	-	-
Directors' loans	25,413	115,836	-	-
Other creditors	5,112	14,274	-	-
Accruals and deferred income	375,120	277,966	5,250	3,000
	<u>3,017,093</u>	<u>2,791,015</u>	<u>222,490</u>	<u>220,163</u>

The bank overdraft is secured by a fixed and floating charge over the group's assets

Included within bank loans and overdrafts are amounts of £569,330 (2010 £586,433) in respect of invoice discounting facilities. These amounts are secured by a fixed charge on all purchased debts, leasehold improvements, plant and equipment of the business.

14 Creditors: amounts falling due after more than one year

	Group 31 December 2011 £	Group 31 December 2010 £	Company 31 December 2011 £	Company 31 December 2010 £
Bank loans (secured)	-	2,096	-	-
Amounts owed to group undertakings	-	-	1,500,000	1,500,000
Obligations under finance lease and hire purchase contracts	110,215	163,507	63,637	156,387
Directors' loans	760,419	830,548	-	-
	<u>870,634</u>	<u>996,151</u>	<u>1,563,637</u>	<u>1,656,387</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (continued)

14 Creditors: amounts falling due after more than one year (continued)

Maturity of debt

Group

	Loans and overdrafts 31 December 2011 £	Loans and overdrafts 31 December 2010 £	Finance leases 31 December 2011 £	Finance leases 31 December 2010 £
In one year or less, or on demand	<u>744,861</u>	<u>775,906</u>	<u>125,033</u>	<u>140,711</u>
In more than one year but not more than two years	-	2,096	71,289	127,670
In more than two years but not more than five years	-	-	38,926	35,837
	<u>-</u>	<u>2,096</u>	<u>110,215</u>	<u>163,507</u>

Company

	Loans and overdrafts 31 December 2011 £	Loans and overdrafts 31 December 2010 £	Finance leases 31 December 2011 £	Finance leases 31 December 2010 £
In one year or less, or on demand	<u>-</u>	<u>-</u>	<u>92,879</u>	<u>120,550</u>
In more than one year but not more than two years	-	-	48,000	120,550
In more than two years but not more than five years	-	-	15,637	35,837
	<u>-</u>	<u>-</u>	<u>63,637</u>	<u>156,387</u>

Included in creditors due after more than one year are the following amounts repayable in more than five years

	Group 31 December 2011 £	Group 31 December 2010 £	Company 31 December 2011 £	Company 31 December 2010 £
Directors' loans	<u>46,480</u>	<u>-</u>	<u>-</u>	<u>-</u>

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (*continued*)

14 Creditors, amounts falling due after more than one year (*continued*)

Included within directors' loans is an amount of £214,883 (2010 - £240,247) which is repayable in monthly instalments of £2,840 with interest charged at base rate plus 4% and is secured against part of the group's freehold property

The remaining amounts within directors' loans have no set instalment terms although the directors have confirmed that £570,949 (£2010 £616,137) is not repayable within the next 12 months

15 Provisions for liabilities

Group

	Deferred taxation £
At 1 January 2011	29,920
Charged to profit and loss account	14,985
At 31 December 2011	44,905

Company

	Deferred taxation £
At 1 January 2011	54
Credited to profit and loss account	(2,069)
	(2,015)
Transferred to debtors (see note 12)	2,015
At 31 December 2011	-

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

15 Provisions for liabilities (*continued*)

Deferred taxation

	Group 31 December 2011 £	Group 31 December 2010 £	Company 31 December 2011 £	Company 31 December 2010 £
Accelerated capital allowances	46,705	58,819	(2,015)	54
Sundry timing differences	(1,800)	-	-	-
	<u>44,905</u>	<u>58,819</u>	<u>(2,015)</u>	<u>54</u>
Unutilised tax losses	-	(28,899)	-	-
	<u>44,905</u>	<u>29,920</u>	<u>(2,015)</u>	<u>54</u>

16 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £91,115 (2010 - £87,677). Contributions amounting to £Nil (2010 - £40,000) were payable to the fund and are included in creditors.

17 Share capital

	31 December 2011 £	31 December 2010 £
<i>Allotted, called up and fully paid</i>		
100,000 Ordinary 'A' shares of 1pence each	<u>1,000</u>	<u>1,000</u>

As at 31 December 2011 the company had 10,870 (2010 - 8,696) EMI scheme options in existence. During the year the company has granted a further 2,174 EMI scheme options. There is no charge to the financial statements under FRS 20 as it is immaterial.

The share options were transferred to the company from its subsidiary undertaking Red Industries Limited in June 2010.

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

18 Reserves

Group

	Revaluation reserve £	Share based payment reserve £	Merger reserve £	Profit and loss account £
At 1 January 2011 as previously stated	53,871	32,210	897,728	(102,027)
Prior year adjustment	(478)	(32,210)	(897,728)	705,493
	<u>53,393</u>	<u>-</u>	<u>-</u>	<u>603,466</u>
At 1 January 2011 as restated	53,393	-	-	603,466
Revaluation deficit	(9,824)	-	-	-
Profit for the year	-	-	-	374,518
	<u>43,569</u>	<u>-</u>	<u>-</u>	<u>977,984</u>
At 31 December 2011	<u>43,569</u>	<u>-</u>	<u>-</u>	<u>977,984</u>

Company

	Share based payment reserve £	Profit and loss account £
At 1 January 2011 as previously stated	32,210	3,260
Prior year adjustment	(32,210)	-
	<u>-</u>	<u>3,260</u>
At 1 January 2011 as restated	-	3,260
Profit for the year	-	12,928
	<u>-</u>	<u>16,188</u>
At 31 December 2011	<u>-</u>	<u>16,188</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

19 Reconciliation of movements in shareholders' funds

	Group 31 December 2011 £	Group 31 December 2010 As restated £	Company 31 December 2011 £	Company 31 December 2010 As restated £
Profit/(loss) for the year/period	374,518	(86,231)	12,928	3,260
Other net recognised gains and losses relating to the year				
- Unrealised deficit on revaluation of properties	(9,824)	-	-	-
Issue of shares	-	-	-	1,000
Net additions to/(deductions from) shareholders' funds	364,694	(86,231)	12,928	4,260
Opening shareholders' funds as previously stated	882,782	-	36,470	-
Prior year adjustment				
Restatement of consolidation	(224,923)	744,090	-	-
Restatement of share options	-	-	(32,210)	-
Opening shareholders' funds as restated	657,859	744,090	4,260	-
Closing shareholders' funds	1,022,553	657,859	17,188	4,260

20 Contingent liabilities

Environment Agency claim

The group is subject to a prosecution brought by the Environment Agency relating to the discharge of waste into the River Trent in 2009. The group is contesting liability as the directors do not believe that the discharge was attributable to the group.

Cross guarantee

The company is party to a cross guarantee securing the invoice discounting facility borrowings of its subsidiary undertakings, Red Industries Limited and Red Industries (Scotland) Limited. At 31 December 2011 the net borrowings amounted to £569,330 (2010: £586,433).

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

21 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 31 December 2011 £	Other 31 December 2011 £	Land and buildings 31 December 2010 £	Other 31 December 2010 £
Operating leases which expire				
Within one year	-	6,792	-	9,029
In two to five years	126,000	40,427	120,000	45,709
	<u>126,000</u>	<u>47,219</u>	<u>120,000</u>	<u>54,738</u>

The company had no operating lease commitments

22 Related party disclosures

Controlling parties

The company is under the joint control of A Share, D Scott and P Ratcliffe

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

The group leases one of its properties from a company under the control of A share and P Ratcliffe, Share Properties Limited. The lease cost in the year was £126,000 (2010 - £120,000) and the amount due to Share Properties Limited at the year end was £90,709 (2010 - £92,398). Management charges of £Nil (2010 - £40,000) were charged to Share Properties Limited.

Mr A Share has provided a personal guarantee up to a maximum of £80,000 to secure part of the group's bank borrowings, see note 13 for details.

During the year the following directors held loan accounts with the company

Related party	Interest paid to related party	Amounts outstanding at 31 December 2011
A Share	-	521,227
P Ratcliffe	10,233	254,883
D Scott	-	6,222
A Clapperton	-	3,500
2010		
A Share	-	622,637
P Ratcliffe	11,280	290,247
D Scott	-	30,000
A Clapperton	-	3,500

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

23 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £
Operating profit/(loss)	507,077	(56,165)
Amortisation of intangible fixed assets	58,390	57,835
Depreciation of tangible fixed assets	225,133	258,791
Loss on sale of tangible fixed assets	1,970	18,451
Decrease in stocks	-	1,000
Increase in debtors	(576,960)	(238,367)
Increase in creditors	164,201	230,650
Net cash inflow from operating activities	379,811	272,195

24 Reconciliation of net cash flow to movement in net debt

	Year ended 31 December 2011 £	Period ended 31 December 2010 As restated £
Increase/(decrease) in cash	59,687	(40,697)
Cash inflow from changes in debt	95,455	1,337
Movement in net debt	155,142	(39,360)
Opening net debt	(1,029,920)	(990,560)
Closing net debt	(874,778)	(1,029,920)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

25 Analysis of net debt

	At 1 January 2011 As restated £	Cash flow £	At 31 December 2011 £
Cash at bank and in hand	52,300	53,031	105,331
Bank overdrafts	(140,139)	6,656	(133,483)
		59,687	
Debt due within one year	(635,767)	24,389	(611,378)
Debt due after one year	(2,096)	2,096	-
Finance leases	(304,218)	68,970	(235,248)
		95,455	
Total	(1,029,920)	155,142	(874,778)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

26 Prior year adjustment

Group

A prior year adjustment has been recognised due to fundamental errors in the preparation of the prior period consolidation. The prior year adjustment impacts a number of balances as summarised below.

	As previously stated £	Prior year adjustment £	As restated £
Profit and loss account			
Turnover	6,877,261	39,344	6,916,605
Cost of sales	4,818,793	39,344	4,858,137
Gross profit	2,058,468	-	2,058,468
Administrative expenses	2,130,429	(15,796)	2,114,633
Operating loss	(71,691)	15,796	(56,165)
Interest payable and similar charges	75,556	-	75,556
Loss on ordinary activities before taxation	(147,517)	15,796	(131,721)
Taxation on loss on ordinary activities	45,490	-	45,490
Loss on ordinary activities after taxation	(102,027)	15,796	(86,231)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

26 Prior year adjustment (*continued*)

	As previously stated	Prior year adjustment	As restated
Balance sheet			
Fixed assets	-	-	-
Intangible assets	1,441,693	(224,923)	916,770
Tangible assets	1,702,683	-	1,702,683
	2,844,376	(224,923)	2,619,453
Current assets	-	-	-
Debtors	1,803,192	-	1,803,192
Cash at bank and in hand	52,300	-	52,300
	1,855,492	-	1,855,492
Creditors, amounts falling due within one year	2,791,015	-	2,791,015
Net current liabilities	(935,523)	-	(935,523)
Total assets less current liabilities	1,908,853	(224,923)	1,683,930
Creditors' amounts falling due after more than one year	996,151	-	996,151
Provisions for liabilities	29,920	-	29,290
	882,782	(224,923)	657,859
Capital and reserves	-	-	-
Called up share capital	1,000	-	1,000
Revaluation reserve	53,871	(478)	53,393
Share based payment reserve	32,210	(32,210)	-
Merger reserve	897,728	(897,728)	-
Profit and loss account	(102,026)	705,492	603,466
	882,783	(224,923)	657,859

Company

The carrying value of fixed asset investments has been restated to exclude £32,210 relating to the fair value of share options issued in the group's subsidiary undertaking Red Industries Limited which were incorrectly included within the cost of the company's investment in Red Industries Limited

The impact of the prior year adjustment is to reduce the cost and carrying value of fixed asset investments by £32,210, with a corresponding elimination of the share based payment reserve previously recognised