

COMPANIES HOUSE COPY

Red Industries Holdings Limited

Report and Financial Statements

Year Ended

31 December 2012

Company Number 07099708

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COMPANIES HOUSE

Red Industries Holdings Limited

Report and financial statements for the year ended 31 December 2012

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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 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Results and dividends

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

Interim dividends of £1.95 per share were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

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's key financial performance indicators are turnover and profit after tax.

The group has performed profitably and satisfactorily in a competitive marketplace subject to fluctuating manufacturing demand. The turnover for the year was £7,963,656 (2011 - £8,216,384) and the profit after tax was £428,905 (2011 - £374,518). Continued profitability is expected throughout 2013.

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 invoice discounting facilities, as well as 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 The directors are not aware of any reason why these might be withdrawn and as a result have adopted the basis of going concern.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.

Red Industries Holdings Limited

Report of the directors for the year ended 31 December 2012 (continued)

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.

Charitable and political contributions

During the year the group made charitable contributions of £1,450 (2011 - £4,249). There were no political contributions.

Directors

The directors of the company during the year and their interest in the ordinary share capital of the company were

	Number of shares	
	31 December 2012	1 January 2012
A Share	33,368	33,368
P Ratcliffe	33,368	33,368
D J Scott	33,264	33,264
J M Clewes	-	-
T P A Wilson	-	-
A Clapperton	-	-

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

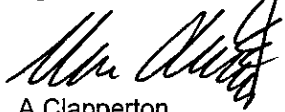
Report of the directors for the year ended 31 December 2012 (*continued*)

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 have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



A Clapperton
Secretary

23 SEPTEMBER 2013

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 2012 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 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 group's and the parent company's affairs as at 31 December 2012 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*

23.9.13

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 2012

	Note	2012 £	2011 £
Turnover	2	7,963,656	8,216,384
Cost of sales		5,342,313	5,514,578
Gross profit		2,621,343	2,701,806
Administrative expenses		2,106,022	2,194,729
Group operating profit	3	515,321	507,077
Other interest receivable and similar income		26	-
Interest payable and similar charges	6	(56,686)	(76,374)
Profit on ordinary activities before taxation		458,661	430,703
Taxation on profit on ordinary activities	7	29,756	56,185
Profit on ordinary activities after taxation		428,905	374,518

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 30 form part of these financial statements

Red Industries Holdings Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2012

	Note	2012 £	2011 £
Consolidated statement of total recognised gains and losses			
Profit for the financial year		428,905	374,518
Unrealised surplus/(deficit) on revaluation of freehold land	19	5,989	(9,824)
Total recognised gains and losses for the financial year		434,894	364,694

The notes on pages 11 to 30 form part of these financial statements

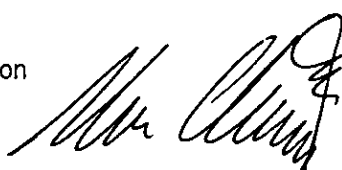
Red Industries Holdings Limited

Consolidated balance sheet at 31 December 2012

<i>Company number 07099708</i>	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	10		802,886		859,660
Tangible assets	11		1,606,338		1,611,593
			<u>2,409,224</u>		<u>2,471,253</u>
Current assets					
Debtors	13	2,129,547		2,378,601	
Cash at bank and in hand		274,181		105,331	
		<u>2,403,728</u>		<u>2,483,932</u>	
Creditors: amounts falling due within one year	14	2,892,589		3,017,093	
		<u></u>		<u></u>	
Net current liabilities			(488,861)		(533,161)
			<u></u>		<u></u>
Total assets less current liabilities			1,920,363		1,938,092
Creditors: amounts falling due after more than one year	15	655,232		870,634	
Provisions for liabilities	16	2,684		44,905	
		<u></u>		<u></u>	
			657,916		915,539
			<u>1,262,447</u>		<u>1,022,553</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Revaluation reserve	19		49,558		43,569
Profit and loss account	19		1,211,889		977,984
			<u>1,262,447</u>		<u>1,022,553</u>
Shareholders' funds	20		<u>1,262,447</u>		<u>1,022,553</u>

The financial statements were approved by the board of directors and authorised for issue on 23 SEPTEMBER 2013

A Clapperton
Director



The notes on pages 11 to 30 form part of these financial statements

Red Industries Holdings Limited

Company balance sheet at 31 December 2012

<i>Company number 07099708</i>	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	11		223,359		273,524
Fixed asset investments	12		1,508,031		1,508,031
			<u>1,731,390</u>		<u>1,781,555</u>
Current assets					
Debtors	13	34,391		21,752	
Cash at bank and in hand		24		8	
		<u>34,415</u>		<u>21,760</u>	
Creditors, amounts falling due within one year	14	180,154		222,490	
		<u>180,154</u>		<u>222,490</u>	
Net current liabilities			(145,739)		(200,730)
Total assets less current liabilities			1,585,651		1,580,825
Creditors' amounts falling due after more than one year	15	1,509,218		1,563,637	
Provisions for liabilities	16	4,007		-	
		<u>4,007</u>		<u>-</u>	
			1,513,225		1,563,637
			<u>72,426</u>		<u>17,188</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account	19		71,426		16,188
			<u>72,426</u>		<u>17,188</u>
Shareholders' funds	20		72,426		17,188
			<u>72,426</u>		<u>17,188</u>

The financial statements were approved by the board of directors and authorised for issue on 23 SEPTEMBER 2013

A Clapperton
Director



The notes on pages 11 to 30 form part of these financial statements

Red Industries Holdings Limited

Consolidated cashflow statement for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	24		951,455		379,811
Returns on investments and servicing of finance					
Interest received		26		-	
Interest paid bank loans		(29,112)		(35,577)	
Interest paid hire purchase		(27,574)		(40,797)	
Net cash outflow from returns on investments and servicing of finance			(56,660)		(76,374)
Taxation					
Corporation tax paid			(41,200)		(1,178)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(1,740)		(1,280)	
Payments to acquire tangible fixed assets		(157,866)		(175,774)	
Receipts from sale of tangible fixed assets		43,208		29,937	
Net cash outflow from capital expenditure and financial investment			(116,398)		(147,117)
Dividends paid			(195,000)		-
Cash inflow before use of financing			542,197		155,142
Financing					
Loans repaid		(42,048)		(9,382)	
Capital element of finance leases repaid		(125,377)		(68,970)	
Net cash outflow from financing			(167,425)		(78,352)
Increase in cash	25		374,772		76,790

The notes on pages 11 to 30 form part of these financial statements

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2012

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 2013

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 invoice discounting facilities. The group has renewed its overdraft facilities until 31 July 2014 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 2012 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 2012 (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 land 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 2012 (*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 2012 (continued)

2 Turnover

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

3 Operating profit

	2012 £	2011 £
This is arrived at after charging		
Depreciation of tangible fixed assets	170,594	225,133
Amortisation of positive goodwill	51,661	51,662
Amortisation of other intangible fixed assets	6,853	6,728
Hire of plant and machinery - operating leases	83,484	62,997
Hire of other assets - operating leases	153,610	139,972
Fees payable to the company's auditor for the auditing of the company's annual accounts	2,500	2,500
Research and development	304,287	240,174
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	Group 2012 £	Group 2011 £
Wages and salaries	1,776,764	1,760,147
Social security costs	182,402	175,127
Other pension costs	81,371	91,115
	<u> </u>	<u> </u>
	2,040,537	2,026,389
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was 64 (2011 - 61)

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

5 Directors' remuneration

	2012 £	2011 £
Directors' emoluments	369,729	338,351
Company contributions to money purchase pension schemes	63,727	55,365

There were 5 directors in the group's defined contribution pension scheme during the year (2011 - 4)

The total amount payable to the highest paid director in respect of emoluments was £132,381 (2011 - £116,859) Company pension contributions of £22,908 (2011 - £25,864) were made to a money purchase scheme on their behalf

6 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	29,112	35,577
Finance leases and hire purchase contracts	27,574	40,797
	<u>56,686</u>	<u>76,374</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

7 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	58,637	41,200
Adjustment in respect of previous periods	13,340	-
Total current tax	71,977	41,200
<i>Deferred tax</i>		
Origination and reversal of timing differences	(21,917)	20,185
Adjustment in respect of previous periods	(20,304)	(5,200)
Movement in deferred tax provision	(42,221)	14,985
Taxation on profit on ordinary activities	29,756	56,185

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

	2012 £	2011 £
Profit on ordinary activities before tax	458,661	430,703
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24% (2011 - 26%)	110,079	111,983
Effect of		
Expenses not deductible for tax purposes	30,248	35,293
Capital allowances for period in excess of depreciation	(3,904)	(5,644)
Utilisation of tax losses	(19,943)	(41,569)
Effect of change in tax rate during the year	1,069	(4,333)
Adjustment to tax charge in respect of previous periods	13,340	-
Effect of research and development claim	(86,697)	(47,718)
Other short term timing differences	27,785	(6,812)
Current tax charge for the year	71,977	41,200

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

7 Taxation on profit on ordinary activities (continued)

Factors that may affect future tax charges

The 2012 budget on 21 March 2012 announced that the UK main corporation tax rate would be reduced to 24%, taking effect from 1 April 2012 and this rate reduction was substantively enacted on 26 March 2012. Further rate cuts to 23%, 21% and finally to 20% are due to come into effect on 1 April 2013, 1 April 2014 and 1 April 2015 respectively. The reduction to 23% was substantively enacted on 3 July 2012.

These rate changes will reduce the company's future current tax charge accordingly.

The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. The reduction to 20%, substantively enacted in July 2013, if applied would reduce the deferred tax liability at 31 December 2012 by £351.

8 Dividends

	2012 £	2011 £
Ordinary shares		
Interim paid of £1.95 (2011 - £Nil) per share	195,000	-

9 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 £250,238 (2011 - £12,928) which is dealt with in the financial statements of the parent company.

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

10 Intangible fixed assets

Group

	Goodwill on consolidation £	Licences £	Total £
<i>Cost</i>			
At 1 January 2012	1,033,228	91,188	1,124,416
Additions	-	1,740	1,740
At 31 December 2012	1,033,228	92,928	1,126,156
<i>Amortisation</i>			
At 1 January 2012	236,337	28,419	264,756
Provided for the year	51,661	6,853	58,514
At 31 December 2012	287,998	35,272	323,270
<i>Net book value</i>			
At 31 December 2012	745,230	57,656	802,886
At 31 December 2011	796,891	62,769	859,660

Red Industries Holdings Limited

Note forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

11 Tangible fixed assets	Group							
		Freehold land and buildings	Leasehold improvements	Plant, machinery and motor vehicles	Fixtures and fittings	Fixtures, tools and equipment	Total	
		£	£	£	£	£	£	£
<i>Cost or valuation</i>								
At 1 January 2012		617,493	600,354	1,409,415	35,800	130,555	2,793,617	
Additions		68,729	41,966	22,752	-	24,419	157,866	
Disposals		-	-	(134,359)	-	-	(134,359)	
Revaluations		26,000	-	-	-	-	26,000	
At 31 December 2012		712,222	642,320	1,297,808	35,800	154,974	2,843,124	
<i>Depreciation</i>								
At 1 January 2012		45,878	109,791	880,435	30,656	115,264	1,182,024	
Provided for the year		10,063	29,996	116,382	515	13,638	170,594	
Disposals		-	-	(115,832)	-	-	(115,832)	
At 31 December 2012		55,941	139,787	880,985	31,171	128,902	1,236,786	

Red Industries Holdings Limited

Note forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

11 Tangible fixed assets (*continued*)

Group (*continued*)

	Freehold land and buildings £	Leasehold improvement s £	Plant, machinery and motor vehicles £	Fixtures and fittings £	Fixtures, fittings, tools and equipment £	Total £
<i>Net book value</i>						
At 31 December 2012	656,281	502,533	416,823	4,629	26,072	1,606,338
At 31 December 2011	571,615	490,563	528,980	5,144	15,291	1,611,593

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

11 Tangible fixed assets (*continued*)

Company

	Plant, machinery and motor vehicles £
<i>Cost</i>	
At 1 January 2012	636,628
Disposals	(107,000)
At 31 December 2012	529,628
<i>Depreciation</i>	
At 1 January 2012	363,104
Provided for the year	50,165
Disposals	(107,000)
At 31 December 2012	306,269
<i>Net book value</i>	
At 31 December 2012	223,359
At 31 December 2011	273,524

Included within freehold land and buildings is £476,000 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 as at 31 December 2012 by Carter Jonas, chartered surveyors, at £276,000

The land was 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 2012 was £630,507 (2011 - 564,371) and the accumulated depreciation based on historical cost was £55,941 (2011 - 47,237)

The net book value of tangible fixed assets includes an amount of £266,545 (2011 - £318,157) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £51,612 (2011 - £96,108)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

12 Fixed asset investments

Company

	Group undertakings £
<i>Cost</i>	
At 1 January 2012 and 31 December 2012	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

13 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade debtors	1,830,741	2,175,354	-	-
Amounts owed by group undertakings	-	-	33,491	19,737
Corporation tax recoverable	22	22	-	-
Other debtors	174,464	102,197	-	-
Prepayments and accrued income	123,420	101,028	-	-
Amounts owed by related undertakings	900	-	900	-
Deferred taxation (see note 16)	-	-	-	2,015
	<u>2,129,547</u>	<u>2,378,601</u>	<u>34,391</u>	<u>21,752</u>

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 2012 (continued)

14 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans and overdrafts (secured)	496,891	744,861	-	-
Trade creditors	1,465,593	1,405,356	6,060	-
Amounts owed to group undertakings	-	-	98,975	117,013
Corporation tax	69,248	38,471	7,788	5,379
Other taxation and social security	183,947	207,018	4,052	1,969
Obligations under finance lease and hire purchase contracts	77,364	125,033	54,075	92,879
Amounts due to related undertakings	107,009	90,709	-	-
Directors' loans	26,503	25,413	-	-
Other creditors	4,358	5,112	-	-
Accruals and deferred income	461,676	375,120	9,204	5,250
	<u>2,892,589</u>	<u>3,017,093</u>	<u>180,154</u>	<u>222,490</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 £367,636 (2011 - £569,330) 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

15 Creditors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts owed to group undertakings	-	-	1,500,000	1,500,000
Obligations under finance lease and hire purchase contracts	32,507	110,215	9,218	63,637
Directors' loans	622,725	760,419	-	-
	<u>655,232</u>	<u>870,634</u>	<u>1,509,218</u>	<u>1,563,637</u>

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

15 Creditors' amounts falling due after more than one year (continued)

Maturity of debt

Group

	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £	Finance leases 2012 £	Finance leases 2011 £
In one year or less, or on demand	496,891	744,861	77,364	125,033
In more than one year but not more than two years	-	-	32,507	71,289
In more than two years but not more than five years	-	-	-	38,926
	-	-	32,507	110,215

Company

	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £	Finance leases 2012 £	Finance leases 2011 £
In one year or less, or on demand	-	-	54,075	92,879
In more than one year but not more than two years	-	-	9,218	48,000
In more than two years but not more than five years	-	-	-	15,637
	-	-	9,218	63,637

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

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Directors' loans	-	46,480	-	-

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 *(continued)*

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

Included within directors' loans is an amount of £189,884 (2011 - £214,883) 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 land and buildings

The remaining amounts within directors' loans have no set instalment terms although the directors have confirmed that £459,344 (2011 - £570,949) is not repayable within the next 12 months

16 Provisions for liabilities

Group

	Deferred taxation £
At 1 January 2012	44,905
Credited to profit and loss account	(42,221)
At 31 December 2012	2,684

Company

	Deferred taxation £
Transferred from debtors	(2,015)
Charged to profit and loss account	6,022
At 31 December 2012	4,007

Deferred taxation

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Accelerated capital allowances	57,949	46,705	4,007	(2,015)
Sundry timing differences	(55,265)	(1,800)	-	-
	2,684	44,905	4,007	(2,015)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

17 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 £81,371 (2011 - £91,115). Contributions amounting to £Nil (2011 - £Nil) were payable to the fund and are included in creditors.

18 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
100,000 Ordinary 'A' shares of 1pence each	1,000	1,000

As at 31 December 2012 the company had 10,870 (2011 - 10,870) EMI scheme options in existence. There is no charge to the financial statements under FRS 20 as it is immaterial.

19 Reserves

Group

	Revaluation reserve £	Profit and loss account £
At 1 January 2012	43,569	977,984
Revaluation surplus	5,989	-
Profit for the year	-	428,905
Dividends	-	(195,000)
At 31 December 2012	49,558	1,211,889

Company

	Profit and loss account £
At 1 January 2012	16,188
Profit for the year	250,238
Dividends	(195,000)
At 31 December 2012	71,426

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

20 Reconciliation of movements in shareholders' funds

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Profit for the year	428,905	374,518	250,238	12,928
Dividends	(195,000)	-	(195,000)	-
	<u>233,905</u>	<u>374,518</u>	<u>55,238</u>	<u>12,928</u>
Other net recognised gains and losses relating to the year				
- Unrealised surplus/(deficit) on revaluation of freehold land	5,989	(9,824)	-	-
	<u>239,894</u>	<u>364,694</u>	<u>55,238</u>	<u>12,928</u>
Net additions to shareholders' funds	239,894	364,694	55,238	12,928
Opening shareholders' funds	1,022,553	657,859	17,188	4,260
	<u>1,262,447</u>	<u>1,022,553</u>	<u>72,426</u>	<u>17,188</u>
Closing shareholders' funds	1,262,447	1,022,553	72,426	17,188

21 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 2012 the net borrowings amounted to £367,636 (2011 - £569,330).

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

22 Commitments under operating leases

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

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	-	24,841	-	6,792
In two to five years	143,000	77,152	126,000	40,427
After five years	-	1,712	-	-
	<u>143,000</u>	<u>103,705</u>	<u>126,000</u>	<u>47,219</u>

The company had no operating lease commitments

23 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 £143,000 (2011 - £126,000), the amount due to Share Properties Limited at the year end was £107,009 (2011 - £90,709) and the amount owed by Share Properties Limited was £900 (2011 - £Nil)

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 14 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 2012
A Share	-	452,749
P Ratcliffe	9,139	189,884
D Scott	-	3,094
A Clapperton	-	3,500
2011		
A Share	-	521,227
P Ratcliffe	10,233	254,883
D Scott	-	6,222
A Clapperton	-	3,500

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

24 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	515,321	507,077
Amortisation of intangible fixed assets	58,514	58,390
Depreciation of tangible fixed assets	170,594	225,133
(Profit)/loss on sale of tangible fixed assets	(24,681)	1,970
Decrease/(increase) in debtors	249,054	(576,960)
Increase in creditors	2,664	164,201
Revaluation of freehold land	(20,011)	-
Net cash inflow from operating activities	951,455	379,811

25 Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
Increase in cash	374,772	76,790
Cash inflow from changes in debt	167,425	78,352
Movement in net debt	542,197	155,142
Opening net debt	(874,778)	(1,029,920)
Closing net debt	(332,581)	(874,778)

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

26 Analysis of net debt

	At 1 January 2012 £	Cash flow £	At 31 December 2012 £
Cash at bank and in hand	105,331	168,850	274,181
Bank overdrafts	(702,813)	205,922	(496,891)
		<u>374,772</u>	
Debt due within one year	(42,048)	42,048	-
Finance leases	(235,248)	125,377	(109,871)
		<u>167,425</u>	
Total	<u>(874,778)</u>	<u>542,197</u>	<u>(332,581)</u>

Bank overdrafts include £367,636 (2011 - £569,330) in respect of invoice discounting facilities