

COMPANIES HOUSE COPY

Red Industries Holdings Limited

Report and Financial Statements

Year Ended

31 December 2014

Company Number 07099708

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COMPANIES HOUSE

Red Industries Holdings Limited

Report and financial statements for the year ended 31 December 2014

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Directors

A Share
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

Strategic report for the year ended 31 December 2014

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2014.

Principal Activities

The principal activities of the group are the provision of environmental services including the treatment & transfer and disposal of both hazardous and non-hazardous wastes and the provision of parts washers, both across varied industries.

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

Review of the business and key financial performance indicators

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

The group has performed profitably in a competitive, post-recessionary marketplace that continues to suffer fluctuating manufacturing demand. The turnover for the year was £7,133,947 (2013 £7,364,176) and profit after tax was £115,424 (2013 £198,962).

Continued profitability is expected in 2015 as a broader customer base continues to develop within the main trading arm of the group whilst further profitability is expected from new trading companies & activities.

The group closely monitors its disposal costs, 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, the post-recessionary macro economic climate, changing environmental legislation and increasing costs of waste disposal.

The group retains suitably adequate finance facilities, including an agreed invoice discounting facility in addition to continuing shareholder 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.

Research and development

The group continues to engage in research and development activity to improve its operational processes. All research and development activity is written off to the profit and loss account as incurred.

Principal Risks and Uncertainties

Economic and political climate

Continuing competitive market pressures across the variety of industries spanned by the group, but with particular reference to manufacturing, provide the key commercial risks and uncertainties. Close monitoring of external commercial performance indicators ensure the group is well placed to manage this risk.

In addition, the continuing competitive pressures of the Scottish marketplace, coupled with the economic and political uncertainty present in Scotland prior to the recent referendum have resulted in the group's decision to close the Scottish operation in April 2014. Despite the closure of the Scottish site the group continues to maintain a competitive presence and to trade in Scotland via other group companies.

Regulatory environment

The principal regulatory risk to the group business during the year has been the ongoing pollution claim brought against the subsidiary company (Red Industries Ltd) by the industry regulatory body, the Environment Agency. The prosecution claim reached its conclusion in May 2014 when the company was found not guilty and completely exonerated on all counts.

Red Industries Holdings Limited

Strategic report for the year ended 31 December 2014 (*continued*)

The company retains its triple BSI accreditation (BSI 9001, BSI 14001 & BSI 18001) and undergoes extensive audit checks to provide external certification and verification of system robustness.

Financial Instruments

Credit

Credit risk is managed via an integrated credit control function. Credit checking is carried out using external credit agency services with rigorous credit scoring and credit management systems being implemented within the company.

Cash Flow

Cash forecasts are prepared regularly and monitored closely to cover any foreseeable funding requirements.

Liquidity

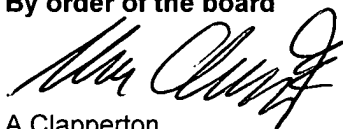
The group has adequate funding facilities in place with inter-company support being provided where necessary throughout the group with further shareholder support also available as may be required from time to time.

Future Developments

The group continues to broaden its portfolio and services offering innovative waste management solutions across a broadening range of industries.

New methods and routes for the sustainable treatment of waste are constantly being analysed and developed within the waste arm of the group. The new service offering of parts washers to industry meanwhile remains on track to early profitability, also providing symbiotic commercial benefits across the group.

By order of the board



A Clapperton
Secretary

11.9.15

Red Industries Holdings Limited

Report of the directors for the year ended 31 December 2014

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

The directors do not recommend the payment of a final dividend.

Financial instruments

Information regarding financial instruments is set out within the Strategic Report on page 2.

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 2014	1 January 2014
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	-	-

P Ratcliffe and D J Scott resigned on 30 March 2015.

Directors' responsibilities

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 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 2014 (*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

11.9.15

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 2014 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement 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 Financial Reporting Council's (FRC'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 FRC'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 2014 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 strategic report and 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

11.9.15

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 2014

	Note	2014 £	2013 £
Turnover	2	7,133,947	7,364,176
Cost of sales		4,776,577	4,906,005
Gross profit		2,357,370	2,458,171
Administrative expenses		2,251,239	2,267,110
Group operating profit	3	106,131	191,061
Interest payable and similar charges	6	(20,989)	(34,710)
Profit on ordinary activities before taxation		85,142	156,351
Taxation on profit on ordinary activities	7	30,282	42,611
Profit on ordinary activities after taxation		115,424	198,962

All amounts relate to continuing activities.

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

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 11 to 28 form part of these financial statements.

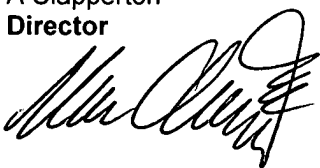
Red Industries Holdings Limited

Consolidated balance sheet at 31 December 2014

Company number 07099708	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Intangible assets	10		682,530		717,573
Tangible assets	11		1,568,903		1,532,159
			<u>2,251,433</u>		<u>2,249,732</u>
Current assets					
Debtors	13	1,873,213		1,975,011	
Cash at bank and in hand		84,831		158,833	
		<u>1,958,044</u>		<u>2,133,844</u>	
Creditors: amounts falling due within one year	14	<u>2,211,965</u>		<u>2,439,652</u>	
Net current liabilities			<u>(253,921)</u>		<u>(305,808)</u>
Total assets less current liabilities			<u>1,997,512</u>		<u>1,943,924</u>
Creditors: amounts falling due after more than one year	15		<u>570,679</u>		<u>632,515</u>
			<u>1,426,833</u>		<u>1,311,409</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Revaluation reserve	19		49,558		49,558
Profit and loss account	19		1,376,275		1,260,851
Shareholders' funds	20		<u>1,426,833</u>		<u>1,311,409</u>

The financial statements were approved by the board of directors and authorised for issue on 11.9.15

A Clapperton
Director



The notes on pages 11 to 28 form part of these financial statements.

Red Industries Holdings Limited

Company balance sheet at 31 December 2014

<i>Company number 07099708</i>	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	11		253,384		227,860
Fixed asset investments	12		508,032		508,032
			<u>761,416</u>		<u>735,892</u>
Current assets					
Debtors	13	33,573		47,047	
Cash at bank and in hand		12,719		4,182	
		<u>46,292</u>		<u>51,229</u>	
Creditors: amounts falling due within one year	14	46,192		142,083	
		<u>46,192</u>		<u>142,083</u>	
Net current assets/(liabilities)			100		(90,854)
Total assets less current liabilities			761,516		645,038
Creditors: amounts falling due after more than one year	15	550,812		507,768	
Provisions for liabilities	16	1,653		10,504	
		<u>552,465</u>		<u>518,272</u>	
			209,051		126,766
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account	19		208,051		125,766
			<u>209,051</u>		<u>126,766</u>
Shareholders' funds	20		209,051		126,766

The financial statements were approved by the board of directors and authorised for issue on 11.9.15


A Clapperton
Director

The notes on pages 11 to 28 form part of these financial statements.

Red Industries Holdings Limited

Consolidated cashflow statement for the year ended 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
Net cash inflow from operating activities	24		179,751		208,372
Returns on investments and servicing of finance					
Interest paid: bank loans		(14,419)		(21,493)	
Interest paid: hire purchase		(6,570)		(13,217)	
Net cash outflow from returns on investments and servicing of finance			(20,989)		(34,710)
Taxation					
Corporation tax paid			-		(71,881)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(21,524)		(1,740)	
Payments to acquire tangible fixed assets		(59,532)		(59,560)	
Receipts from sale of tangible fixed assets		11,640		3,792	
Net cash outflow from capital expenditure and financial investment			(69,416)		(57,508)
Dividends paid			-		(150,000)
Cash inflow/(outflow) before use of financing			89,346		(105,727)
Financing					
Capital element of finance leases repaid			(46,844)		(69,007)
Increase/(Decrease) in cash	25		42,502		(174,734)

The notes on pages 11 to 28 form part of these financial statements.

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014

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 Strategic Report 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 2015.

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 invoice discounting facilities. The group has renewed its facilities until 30 March 2016 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 2014 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 value from customers.

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (*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 2014 (*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 2014 (continued)

2 Turnover

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

3 Operating profit

	2014 £	2013 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	124,007	143,064
Amortisation and impairment of positive goodwill	49,830	80,055
Amortisation of other intangible fixed assets	6,737	6,998
Hire of plant and machinery - operating leases	66,735	80,641
Hire of other assets - operating leases	160,000	168,754
Fees payable to the company's auditor for the auditing of the company's annual accounts	4,700	4,500
Research and development	185,130	250,889
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	Group 2014 £	Group 2013 £
Wages and salaries	1,698,804	1,731,766
Social security costs	169,469	173,578
Other pension costs	84,145	81,371
	<u> </u>	<u> </u>
	1,952,418	1,986,715
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was 58 (2013 - 64).

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

5 Directors' remuneration

	2014 £	2013 £
Directors' emoluments	428,865	424,385
Company contributions to money purchase pension schemes	63,727	63,727

There were 5 directors in the group's defined contribution pension scheme during the year (2013 - 5).

The total amount payable to the highest paid director in respect of emoluments was £132,118 (2013 - £133,570). Company pension contributions of £22,908 (2013 - £22,908) were made to a money purchase scheme on his behalf.

6 Interest payable and similar charges

	2014 £	2013 £
Bank loans and overdrafts	14,419	21,493
Finance leases and hire purchase contracts	6,570	13,217
	20,989	34,710

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

7 Taxation on profit on ordinary activities

	2014 £	2013 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	(22,264)
Adjustment in respect of previous periods	892	1,010
Total current tax	892	(21,254)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(292)	(21,350)
Adjustment in respect of previous periods	(30,882)	(7)
Movement in deferred tax provision	(31,174)	(21,357)
Taxation on profit on ordinary activities	(30,282)	(42,611)

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:

	2014 £	2013 £
Profit on ordinary activities before tax	85,142	156,351
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	18,297	36,352
Effect of:		
Expenses not deductible for tax purposes	18,345	19,299
Capital allowances for period in (excess)/deficit of depreciation	(18,118)	13,195
Utilisation of tax losses	(25,711)	(19,991)
Adjustment to tax charge in respect of previous periods	892	1,010
Effect of research and development claim	(48,986)	(71,120)
Losses carried forward	59,646	12,260
Other short term timing differences	(3,473)	(12,259)
Current tax charge/(credit) for the year	892	(21,254)

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

7 Taxation on profit on ordinary activities (*continued*)

Factors that may affect future tax charges

The UK main corporation tax rate was reduced to 21%, taking effect from 1 April 2014. A further rate cut to 20% is due to come into effect on 1 April 2015. The reduction to 20% was substantively enacted on 2 July 2013.

On 8 July 2015 the Chancellor proposed further cuts to the main rate of corporation tax to 19% and then 18% with effect from 1 April 2017 and 1 April 2018 respectively. These rate cuts will reduce future tax charges accordingly.

8 Dividends

	2014 £	2013 £
Ordinary shares		
Interim paid of £Nil (2013 - £1.50) per share	-	150,000

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 £82,285 (2013 - £204,340) 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 2014 (*continued*)

10 Intangible fixed assets

Group

	Goodwill on consolidation £	Licences £	Total £
<i>Cost</i>			
At 1 January 2014	1,033,228	94,668	1,127,896
Additions	-	21,524	21,524
At 31 December 2014	1,033,228	116,192	1,149,420
<i>Amortisation</i>			
At 1 January 2014	368,053	42,270	410,323
Provided for the year	49,830	6,737	56,567
At 31 December 2014	417,883	49,007	466,890
<i>Net book value</i>			
At 31 December 2014	615,345	67,185	682,530
At 31 December 2013	665,175	52,398	717,573

Red Industries Holdings Limited

Note forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

11 Tangible fixed assets

Group

	Freehold land and buildings £	Leasehold improvements £	Plant, machinery and motor vehicles £	Fixtures and fittings £	Fixtures, fittings, tools and equipment £	Total £
<i>Cost or valuation</i>						
At 1 January 2014	712,222	645,589	1,328,298	35,800	159,125	2,881,034
Additions	-	34,833	133,917	-	-	168,750
Disposals	-	-	(77,219)	-	-	(77,219)
At 31 December 2014	712,222	680,422	1,384,996	35,800	159,125	2,972,565
<i>Depreciation</i>						
At 1 January 2014	67,751	171,368	939,029	31,634	139,093	1,348,875
Provided for the year	11,810	32,225	71,641	417	7,914	124,007
Disposals	-	-	(69,220)	-	-	(69,220)
At 31 December 2014	79,561	203,593	941,450	32,051	147,007	1,403,662
<i>Net book value</i>						
At 31 December 2014	632,661	476,829	443,546	3,749	12,118	1,568,903
At 31 December 2013	644,471	474,221	389,269	4,166	20,032	1,532,159

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

11 Tangible fixed assets (*continued*)

Company

	Plant, machinery and motor vehicles £
<i>Cost</i>	
At 1 January 2014	460,540
Additions	68,600
Disposals	(36,688)
At 31 December 2014	492,452
<i>Depreciation</i>	
At 1 January 2014	232,680
Provided for the year	35,077
Disposals	(28,689)
At 31 December 2014	239,068
<i>Net book value</i>	
At 31 December 2014	253,384
At 31 December 2013	227,860

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 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 2014 was £630,507 (2013 - £630,507) and the accumulated depreciation based on historical cost was £79,561 (2013 - £67,751).

The net book value of tangible fixed assets includes an amount of £115,243 (2013 - £263,994) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £17,814 (2013 - £32,002).

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

12 Fixed asset investments

Company

	Group undertakings £
<i>Cost</i>	
At 1 January 2014 and 31 December 2014	1,508,032
<i>Provisions</i>	
At 1 January 2014 and 31 December 2014	1,000,000
<i>Net book value</i>	
At 31 December 2013 and 31 December 2014	508,032

In April 2014 Red Industries (Scotland) Limited ceased to trade. The carrying value of this investment has been written down in full.

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
Red Innovations Limited	Ordinary	100	% Collection of hazardous waste
Linkwaste TS Limited	Ordinary	100	% Dormant
Linkwaste Limited	Ordinary	100	% Dormant
Eco Link Waste Management Limited	Ordinary	100	% Dormant

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

13 Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Trade debtors	1,684,079	1,638,814	-	-
Amounts owed by group undertakings	-	-	29,821	44,199
Corporation tax recoverable	23,017	23,909	-	-
Other debtors	9,527	189,309	3,714	2,848
Prepayments and accrued income	106,705	104,306	-	-
Amounts owed by related undertakings	38	-	38	-
Deferred taxation (see note 16)	49,847	18,673	-	-
	<u>1,873,213</u>	<u>1,975,011</u>	<u>33,573</u>	<u>47,047</u>

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

14 Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Bank loans and overdrafts (secured)	439,773	556,277	-	-
Trade creditors	1,024,523	1,091,996	7,305	7,115
Amounts owed to group undertakings	-	-	8,925	106,070
Other taxation and social security	199,448	217,486	-	-
Obligations under finance lease and hire purchase contracts	42,294	42,323	24,421	14,701
Amounts due to related undertakings	106,381	154,919	-	8,893
Other creditors	4,613	3,953	-	-
Accruals and deferred income	394,933	372,698	5,541	5,304
	<u>2,211,965</u>	<u>2,439,652</u>	<u>46,192</u>	<u>142,083</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 £439,773 (2013 - £460,373) 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.

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (continued)

15 Creditors: amounts falling due after more than one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Amounts owed to group undertakings	-	-	500,000	500,000
Obligations under finance lease and hire purchase contracts	77,394	14,991	50,812	7,768
Directors' loans	352,757	461,806	-	-
Amounts due to related undertakings	140,528	155,718	-	-
	<u>570,679</u>	<u>632,515</u>	<u>550,812</u>	<u>507,768</u>

Maturity of debt:

Group

	Loans and overdrafts 2014 £	Loans and overdrafts 2013 £	Finance leases 2014 £	Finance leases 2013 £
In one year or less, or on demand	<u>439,773</u>	<u>556,277</u>	<u>42,294</u>	<u>42,323</u>
In more than one year but not more than two years	-	-	31,338	14,991
In more than two years but not more than five years	-	-	46,056	-
	<u>-</u>	<u>-</u>	<u>77,394</u>	<u>14,991</u>

Company

	Loans and overdrafts 2014 £	Loans and overdrafts 2013 £	Finance leases 2014 £	Finance leases 2013 £
In one year or less, or on demand	<u>-</u>	<u>-</u>	<u>24,421</u>	<u>14,701</u>
In more than one year but not more than two years	-	-	14,910	7,768
In more than two years but not more than five years	-	-	35,902	-
	<u>-</u>	<u>-</u>	<u>50,812</u>	<u>7,768</u>

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

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

Amounts within directors' loans have no set instalment terms although the directors have confirmed that £352,757 (2013 - £461,806) is not repayable within the next 12 months.

16 Provisions for liabilities

Company

	Deferred taxation £
At 1 January 2014	10,504
Credited to profit and loss account	(8,851)
At 31 December 2014	1,653

Deferred taxation

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Accelerated capital allowances	45,280	40,752	1,653	10,504
Sundry timing differences	(37,484)	(39,285)	-	-
	7,796	1,467	1,653	10,504
Unutilised tax losses	(57,643)	(20,140)	-	-
	(49,847)	(18,673)	1,653	10,504

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 £84,145 (2013 - £81,371). Contributions amounting to £Nil (2013 - £Nil) were payable to the fund and are included in creditors.

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

18 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
100,000 Ordinary 'A' shares of 1pence each	1,000	1,000

As at 31 December 2014 the company had 10,870 (2013 - 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 2014	49,558	1,260,851
Profit for the year	-	115,424
At 31 December 2014	49,558	1,376,275

Company

	Profit and loss account £
At 1 January 2014	125,766
Profit for the year	82,285
At 31 December 2014	208,051

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

20 Reconciliation of movements in shareholders' funds

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Profit for the year	115,424	198,962	82,285	204,340
Dividends	-	(150,000)	-	(150,000)
Net additions to shareholders' funds	115,424	48,962	82,285	54,340
Opening shareholders' funds	1,311,409	1,262,447	126,766	72,426
Closing shareholders' funds	1,426,833	1,311,409	209,051	126,766

21 Contingent liabilities

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 2014 the net borrowings amounted to £439,773 (2013 - £460,373).

22 Commitments under operating leases

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

	Land and buildings 2014 £	Other 2014 £	Land and buildings 2013 £	Other 2013 £
Operating leases which expire:				
Within one year	-	1,268	-	13,452
In two to five years	160,000	57,228	160,000	38,826
After five years	-	39,004	-	1,712
	160,000	97,500	160,000	53,990

The company had no operating lease commitments.

Red Industries Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

23 Related party disclosures

Controlling parties

During the financial year ended 31 December 2014 the company was under the joint control of A Share, D Scott and P Ratcliffe. On 30 March 2015 the entire share capital of the company was acquired by Oliver Grace Limited. Subsequent to that date the controlling party of the group and company was A Share.

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 £160,000 (2013 - £160,000), the amount due to Share Properties Limited at the year end was £246,909 (2013 - £310,637) and the amount owed by Share Properties Limited was £38 (2013 - £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.

Included in creditors are the following directors loan accounts:

	Interest paid to related party £	Amounts outstanding at 31 December £
Related party		
A Share	-	360,189
P Ratcliffe	-	-
D Scott	-	(10,863)
A Clapperton	-	3,431
2013		
A Share	-	405,783
P Ratcliffe	5,732	-
D Scott	-	52,523
A Clapperton	-	3,500

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

	2014 £	2013 £
Operating profit	106,131	191,061
Amortisation of intangible fixed assets	56,567	87,053
Depreciation of tangible fixed assets	124,007	143,064
(Profit)/loss on sale of tangible fixed assets	(3,641)	3,333
Decrease in debtors	132,080	197,096
Decrease in creditors	(235,393)	(413,235)
Net cash inflow from operating activities	179,751	208,372

Red Industries Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2014 (*continued*)

25 Reconciliation of net cash flow to movement in net debt

	2014 £	2013 £
Increase/(decrease) in cash	42,502	(174,734)
Cash inflow from changes in debt	46,844	69,007
Movement in net debt resulting from cash flows	89,346	(105,727)
Inception of finance leases	(109,218)	(16,450)
Movement in net debt	(19,872)	(122,177)
Opening net debt	(454,758)	(332,581)
Closing net debt	(474,630)	(454,758)

26 Analysis of net debt

	At 1 January 2014 £	Cash flow £	Other non- cash items £	At 31 December 2014 £
Cash at bank and in hand	158,833	(74,002)	-	84,831
Bank overdrafts	(556,277)	116,504	-	(439,773)
		42,502		
Finance leases	(57,314)	46,844	(109,218)	(119,688)
		46,844		
Total	(454,758)	89,346	(109,218)	(474,630)

Bank overdrafts include £439,773 (2013 - £460,373) in respect of invoice discounting facilities.