

REGISTERED NUMBER: 03232713 (England and Wales)

Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 August 2012
for
Avalon Metals Ltd

MONDAY



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Contents of the Consolidated Financial Statements
for the Year Ended 31 August 2012

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Consolidated Cash Flow Statement	11
Notes to the Consolidated Financial Statements	13

Avalón Metals Ltd

Company Information
for the Year Ended 31 August 2012

DIRECTORS:	Ms S A Howell A R Howell
SECRETARY:	Ms S A Howell
REGISTERED OFFICE:	Lloyd George House Fordshill Road Hereford HR2 6NS
REGISTERED NUMBER:	03232713 (England and Wales)
AUDITORS:	Thorne Widgey Chartered Accountants Statutory Auditors 33 Bridge Street Hereford Herefordshire HR4 9DQ

Avalon Metals Ltd (Registered number: 03232713)

Report of the Directors
for the Year Ended 31 August 2012

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2012.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of recycling of scrap metal and waste.

REVIEW OF BUSINESS

The investment in the technologically advanced equipment has come on line and is starting to display increased productivity across various sectors of the business

The present difficult global trading conditions remain challenging, however 2013 will see our business develop in various strategic areas.

The company has now been accredited with
ISO 9001 Quality Management System (Certified a by UKAS Accredited company)
ISO 14001 Environmental Management System (Certified a by UKAS Accredited company)
BS OHSAS 18001: Occupational Health Management system (Certified a by UKAS Accredited company)

This gives the company an externally verified management system that provides an independent risk management focused process.

The company will this year continue to invest in its people and processes to continue to drive the business forward.

DIVIDENDS

The total distribution of dividends for the year ended 31 August 2012 will be £80,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2011 to the date of this report.

Ms S A Howell
A R Howell

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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.

Report of the Directors
for the Year Ended 31 August 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

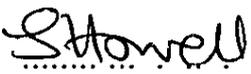
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

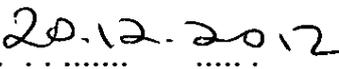
AUDITORS

The auditors, Thorne Widgey, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

..... 

Ms S A Howell - Secretary

Date 

Report of the Independent Auditors to the Members of
Avalon Metals Ltd

We have audited the financial statements of Avalon Metals Ltd for the year ended 31 August 2012 on pages six to twenty four. 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 a Report of the Auditors 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 set out on pages two and three, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Report of the Independent Auditors to the Members of
Avalon Metals Ltd

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.



Kevin Tong (Senior Statutory Auditor)
for and on behalf of Thorne Widgery
Chartered Accountants
Statutory Auditors
33 Bridge Street
Hereford
Herefordshire
HR4 9DQ

Date: 20/12/12

Avalon Metals Ltd (Registered number 03232713)

Consolidated Profit and Loss Account
for the Year Ended 31 August 2012

	Notes	31.8.12 £	31.8.11 £
TURNOVER		12,325,403	11,432,374
Cost of sales		<u>7,421,439</u>	<u>7,133,731</u>
GROSS PROFIT		4,903,964	4,298,643
Administrative expenses		<u>3,869,307</u>	<u>3,139,666</u>
		1,034,657	1,158,977
Other operating income		<u>25,016</u>	<u>9,220</u>
OPERATING PROFIT	3	1,059,673	1,168,197
Interest receivable and similar income		<u>400</u>	<u>392</u>
		1,060,073	1,168,589
Interest payable and similar charges	4	<u>121,391</u>	<u>106,612</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		938,682	1,061,977
Tax on profit on ordinary activities	5	<u>309,503</u>	<u>169,634</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		629,179	892,343
Minority interest - equity		<u>2,827</u>	<u>9,588</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>626,352</u>	<u>882,755</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Avalon Metals Ltd (Registered number: 03232713)

Consolidated Balance Sheet
31 August 2012

	Notes	31.8.12		31.8.11	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		63,000		70,000
Tangible assets	9		6,944,312		4,974,130
Investments	10		-		-
			<u>7,007,312</u>		<u>5,044,130</u>
CURRENT ASSETS					
Stocks	11	596,660		845,030	
Debtors	12	2,818,674		2,089,202	
Investments	13	3,928		3,928	
Cash at bank and in hand		<u>945,004</u>		<u>1,435,516</u>	
		4,364,266		4,373,676	
CREDITORS					
Amounts falling due within one year	14	<u>4,043,918</u>		<u>5,012,036</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>320,348</u>		<u>(638,360)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,327,660		4,405,770
CREDITORS					
Amounts falling due after more than one year	15		(4,330,026)		(2,372,455)
PROVISIONS FOR LIABILITIES	19		(277,206)		(212,299)
ACCRUALS AND DEFERRED INCOME	20		<u>(350,229)</u>		<u>-</u>
NET ASSETS			<u>2,370,199</u>		<u>1,821,016</u>

The notes form part of these financial statements

Avalon Metals Ltd (Registered number: 03232713)

Consolidated Balance Sheet - continued
31 August 2012

	Notes	31.8.12		31 8.11	
		£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	21		1,000		1,000
Profit and loss account	22		<u>2,373,855</u>		<u>1,827,503</u>
SHAREHOLDERS' FUNDS	25		2,374,855		1,828,503
MINORITY INTERESTS			<u>(4,656)</u>		<u>(7,487)</u>
TOTAL EQUITY			<u>2,370,199</u>		<u>1,821,016</u>

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

20.12.12



.....
Ms S A Howell - Director

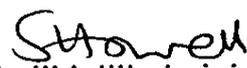
The notes form part of these financial statements

Avalon Metals Ltd (Registered number 03232713)

Company Balance Sheet
31 August 2012

	Notes	31.8.12		31.8.11	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		63,000		70,000
Tangible assets	9		3,264,385		2,057,541
Investments	10		<u>97</u>		<u>97</u>
			3,327,482		2,127,638
CURRENT ASSETS					
Stocks	11	596,660		845,030	
Debtors	12	3,051,579		2,385,038	
Investments	13	3,928		3,928	
Cash at bank and in hand		<u>944,101</u>		<u>1,366,885</u>	
		4,596,268		4,600,881	
CREDITORS					
Amounts falling due within one year	14	<u>3,742,096</u>		<u>4,223,301</u>	
NET CURRENT ASSETS			<u>854,172</u>		<u>377,580</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,181,654		2,505,218
CREDITORS					
Amounts falling due after more than one year	15		(1,036,580)		(236,135)
PROVISIONS FOR LIABILITIES	19		(269,147)		(198,321)
ACCRUALS AND DEFERRED INCOME	20		<u>(350,229)</u>		<u>-</u>
NET ASSETS			<u>2,525,698</u>		<u>2,070,762</u>
CAPITAL AND RESERVES					
Called up share capital	21		1,000		1,000
Profit and loss account	22		<u>2,524,698</u>		<u>2,069,762</u>
SHAREHOLDERS' FUNDS	25		<u>2,525,698</u>		<u>2,070,762</u>

The financial statements were approved by the Board of Directors on 20.12.2012 and were signed on its behalf by

.....

 Ms S A Howell - Director

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 31 August 2012

	Notes	31 8.12		31 8.11	
		£	£	£	£
Net cash inflow from operating activities	1		834,019		1,507,305
Returns on investments and servicing of finance	2		(120,991)		(106,220)
Taxation			(243,925)		(359,849)
Capital expenditure	2		(1,071,876)		855,012
Equity dividends paid			<u>(80,000)</u>		<u>(475,440)</u>
			(682,773)		1,420,808
Financing	2		<u>74,764</u>		<u>285,743</u>
(Decrease)/increase in cash in the period			<u>(608,009)</u>		<u>1,706,551</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period		(608,009)		1,706,551	
Cash inflow from increase in debt and lease financing		<u>(71,796)</u>		<u>(285,915)</u>	
Change in net debt resulting from cash flows			(679,805)		1,420,636
New finance leases			<u>(1,543,962)</u>		<u>(232,250)</u>
Movement in net debt in the period			(2,223,767)		1,188,386
Net debt at 1 September			<u>(1,832,614)</u>		<u>(3,021,000)</u>
Net debt at 31 August			<u>(4,056,381)</u>		<u>(1,832,614)</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 August 2012

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.8.12	31 8.11
	£	£
Operating profit	1,059,673	1,168,197
Depreciation charges	744,821	594,501
Profit on disposal of fixed assets	(92,165)	(582,594)
Decrease/(increase) in stocks	248,370	(615,113)
Increase in debtors	(729,472)	(27,907)
(Decrease)/increase in creditors	<u>(397,208)</u>	<u>970,221</u>
Net cash inflow from operating activities	<u>834,019</u>	<u>1,507,305</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 8.12	31.8.11
	£	£
Returns on investments and servicing of finance		
Interest received	400	392
Interest paid	(85,693)	(68,813)
Interest element of hire purchase payments	<u>(35,698)</u>	<u>(37,799)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(120,991)</u>	<u>(106,220)</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,232,926)	(482,784)
Sale of tangible fixed assets	<u>161,050</u>	<u>1,337,796</u>
Net cash (outflow)/inflow for capital expenditure	<u>(1,071,876)</u>	<u>855,012</u>
Financing		
New loans in year	780,000	530,303
Loan repayments in year	(155,474)	(43,149)
Capital repayments in year	(552,732)	(201,236)
Amount introduced by directors	3,850	-
Amount withdrawn by directors	<u>(880)</u>	<u>(175)</u>
Net cash inflow from financing	<u>74,764</u>	<u>285,743</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 August 2012

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.11 £	Cash flow £	Other non-cash changes £	At 31.8.12 £
Net cash				
Cash at bank and in hand	1,435,516	(490,512)		945,004
Bank overdraft	-	(117,497)		(117,497)
	<u>1,435,516</u>	<u>(608,009)</u>		<u>827,507</u>
Liquid resources				
Current asset investments	<u>3,928</u>	-	-	<u>3,928</u>
	<u>3,928</u>	-	-	<u>3,928</u>
Debt:				
Hire purchase	(445,935)	552,732	(1,543,962)	(1,437,165)
Debts falling due within one year	(689,803)	532,598	-	(157,205)
Debts falling due after one year	<u>(2,136,320)</u>	<u>(1,157,126)</u>	-	<u>(3,293,446)</u>
	<u>(3,272,058)</u>	<u>(71,796)</u>	<u>(1,543,962)</u>	<u>(4,887,816)</u>
Total	<u>(1,832,614)</u>	<u>(679,805)</u>	<u>(1,543,962)</u>	<u>(4,056,381)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Acquired goodwill is written off in equal instalments over its estimated useful economic life of 20 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 20 years
Plant and machinery	- 20% on reducing balance and Straight line over 15 years
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	31.8.12	31.8.11
	£	£
Wages and salaries	771,104	793,035
Social security costs	<u>92,762</u>	<u>83,093</u>
	<u>863,866</u>	<u>876,128</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows.

	31 8 12	31 8 11
Directors	2	2
Admin	4	4
Production	<u>32</u>	<u>32</u>
	<u>38</u>	<u>38</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31.8.12	31 8 11
	£	£
Other operating leases	51,617	50,313
Depreciation - owned assets	737,821	587,501
Profit on disposal of fixed assets	(92,165)	(582,594)
Goodwill amortisation	7,000	7,000
Auditors' remuneration	7,500	7,500
Foreign exchange differences	<u>34,253</u>	<u>(9,220)</u>

Directors' remuneration	<u>20,904</u>	<u>20,280</u>
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The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.8.12	31 8 11
	£	£
Bank interest	79,795	68,813
Tax penalties	5,898	-
Hire purchase	<u>35,698</u>	<u>37,799</u>
	<u>121,391</u>	<u>106,612</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.8 12	31.8 11
	£	£
Current tax:		
UK corporation tax	244,596	317,777
Deferred tax	<u>64,907</u>	<u>(148,143)</u>
Tax on profit on ordinary activities	<u>309,503</u>	<u>169,634</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £534,936 (2011 - £572,751)

7 DIVIDENDS

	31 8.12	31 8.11
	£	£
Interim	<u>80,000</u>	<u>475,440</u>

8. INTANGIBLE FIXED ASSETS

Group

		Goodwill
		£
COST		
At 1 September 2011		
and 31 August 2012		<u>140,000</u>
AMORTISATION		
At 1 September 2011		70,000
Amortisation for year		<u>7,000</u>
At 31 August 2012		<u>77,000</u>
NET BOOK VALUE		
At 31 August 2012		<u>63,000</u>
At 31 August 2011		<u>70,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

8. INTANGIBLE FIXED ASSETS - continued

Company	Goodwill £
COST	
At 1 September 2011 and 31 August 2012	<u>140,000</u>
AMORTISATION	
At 1 September 2011	70,000
Amortisation for year	<u>7,000</u>
At 31 August 2012	<u>77,000</u>
NET BOOK VALUE	
At 31 August 2012	<u>63,000</u>
At 31 August 2011	<u>70,000</u>

9 TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 September 2011	2,792,598	3,468,214	421,869	808,574	7,491,255
Additions	565,434	1,780,165	292,148	139,141	2,776,888
Disposals	-	(147,000)	-	(43,830)	(190,830)
At 31 August 2012	<u>3,358,032</u>	<u>5,101,379</u>	<u>714,017</u>	<u>903,885</u>	<u>10,077,313</u>
DEPRECIATION					
At 1 September 2011	22,021	1,863,976	235,687	395,441	2,517,125
Charge for year	2,184	506,190	95,666	133,781	737,821
Eliminated on disposal	-	(95,266)	-	(26,679)	(121,945)
At 31 August 2012	<u>24,205</u>	<u>2,274,900</u>	<u>331,353</u>	<u>502,543</u>	<u>3,133,001</u>
NET BOOK VALUE					
At 31 August 2012	<u>3,333,827</u>	<u>2,826,479</u>	<u>382,664</u>	<u>401,342</u>	<u>6,944,312</u>
At 31 August 2011	<u>2,770,577</u>	<u>1,604,238</u>	<u>186,182</u>	<u>413,133</u>	<u>4,974,130</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

9. TANGIBLE FIXED ASSETS - continued

Company	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 September 2011	43,689	3,468,214	35,275	808,574	4,355,752
Additions	-	1,780,165	2,848	139,141	1,922,154
Disposals	-	(147,000)	-	(43,830)	(190,830)
At 31 August 2012	<u>43,689</u>	<u>5,101,379</u>	<u>38,123</u>	<u>903,885</u>	<u>6,087,076</u>
DEPRECIATION					
At 1 September 2011	22,021	1,863,976	16,773	395,441	2,298,211
Charge for year	2,184	506,190	4,270	133,781	646,425
Eliminated on disposal	-	(95,266)	-	(26,679)	(121,945)
At 31 August 2012	<u>24,205</u>	<u>2,274,900</u>	<u>21,043</u>	<u>502,543</u>	<u>2,822,691</u>
NET BOOK VALUE					
At 31 August 2012	<u>19,484</u>	<u>2,826,479</u>	<u>17,080</u>	<u>401,342</u>	<u>3,264,385</u>
At 31 August 2011	<u>21,668</u>	<u>1,604,238</u>	<u>18,502</u>	<u>413,133</u>	<u>2,057,541</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	31 08 12 £	31 08.11 £
Plant and machinery:		
Net book value	1,734,819	420,600
Depreciation charged in year	242,313	105,150
Motor vehicles:		
Net book value	169,958	251,732
Depreciation charged in year	<u>56,653</u>	<u>71,977</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 September 2011 and 31 August 2012	<u>97</u>
NET BOOK VALUE	
At 31 August 2012	<u>97</u>
At 31 August 2011	<u>97</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Sigeric Ltd

Nature of business Property rental

Class of shares.	%		
Ordinary	holding 97 00	31 8.12	31.8 11
		£	£
Aggregate capital and reserves		(128,238)	(249,649)
Profit for the year		<u>121,411</u>	<u>319,595</u>

11. STOCKS

	Group		Company	
	31.8.12	31.8.11	31.8.12	31 8 11
	£	£	£	£
Stocks	589,378	588,046	589,378	588,046
Work-in-progress	<u>7,282</u>	<u>256,984</u>	<u>7,282</u>	<u>256,984</u>
	<u>596,660</u>	<u>845,030</u>	<u>596,660</u>	<u>845,030</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.8.12	31.8.11	31.8.12	31.8.11
	£	£	£	£
Trade debtors	359,525	287,631	217,396	242,544
Amounts owed by group undertakings	-	-	558,123	494,367
Other debtors	2,451,088	1,788,082	2,276,060	1,648,127
Prepayments	8,061	13,489	-	-
	<u>2,818,674</u>	<u>2,089,202</u>	<u>3,051,579</u>	<u>2,385,038</u>

13. CURRENT ASSET INVESTMENTS

	Group		Company	
	31.8.12	31.8.11	31.8.12	31.8.11
	£	£	£	£
Unlisted investments	<u>3,928</u>	<u>3,928</u>	<u>3,928</u>	<u>3,928</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.8.12	31.8.11	31.8.12	31.8.11
	£	£	£	£
Bank loans and overdrafts (see note 16)	274,702	117,500	122,232	147,314
Other loans (see note 16)	-	572,303	-	-
Hire purchase contracts (see note 17)	400,585	209,800	400,585	209,800
Trade creditors	858,927	762,496	853,376	744,360
Tax	242,448	241,777	176,514	121,832
Social security and other taxes	25,495	24,407	25,495	24,407
VAT	51,813	750,711	23,921	681,546
Other creditors	2,083,838	2,207,205	2,083,838	2,207,205
Directors' current accounts	4,893	1,923	1,043	1,923
Accruals and deferred income	26,838	20,781	-	-
Accrued expenses	74,379	103,133	55,092	84,914
	<u>4,043,918</u>	<u>5,012,036</u>	<u>3,742,096</u>	<u>4,223,301</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.8.12	31.8.11	31.8.12	31.8.11
	£	£	£	£
Bank loans (see note 16)	3,293,446	2,136,320	-	-
Hire purchase contracts (see note 17)	<u>1,036,580</u>	<u>236,135</u>	<u>1,036,580</u>	<u>236,135</u>
	<u>4,330,026</u>	<u>2,372,455</u>	<u>1,036,580</u>	<u>236,135</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

16. LOANS

An analysis of the maturity of loans is given below.

	Group		Company	
	31 8 12 £	31.8.11 £	31.8.12 £	31 8 11 £
Amounts falling due within one year or on demand:				
Bank overdrafts	117,497	-	122,232	147,314
Bank loans	157,205	117,500	-	-
Other loans	-	572,303	-	-
	<u>274,702</u>	<u>689,803</u>	<u>122,232</u>	<u>147,314</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>157,205</u>	<u>117,500</u>	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>471,614</u>	<u>352,500</u>	-	-
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>2,664,627</u>	<u>1,666,320</u>	-	-

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group

	Hire purchase contracts	
	31.8.12 £	31 8 11 £
Net obligations repayable		
Within one year	400,585	209,800
Between one and five years	<u>1,036,580</u>	<u>236,135</u>
	<u>1,437,165</u>	<u>445,935</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS - continued

Company	Hire purchase contracts	
	31.8.12 £	31 8.11 £
Net obligations repayable:		
Within one year	400,585	209,800
Between one and five years	<u>1,036,580</u>	<u>236,135</u>
	<u>1,437,165</u>	<u>445,935</u>

18. SECURED DEBTS

The following secured debts are included within creditors.

	Group		Company	
	31.8.12 £	31 8 11 £	31.8.12 £	31 8.11 £
Bank overdraft	117,497	-	122,232	147,314
Bank loans	<u>3,450,651</u>	<u>2,253,820</u>	<u>-</u>	<u>-</u>
	<u>3,568,148</u>	<u>2,253,820</u>	<u>122,232</u>	<u>147,314</u>

Unscheduled mortgage debenture incorporating a fixed and floating charge over all the current and future assets of the company.

19 PROVISIONS FOR LIABILITIES

	Group		Company	
	31.8 12 £	31 8 11 £	31.8.12 £	31 8.11 £
Deferred tax	<u>277,206</u>	<u>212,299</u>	<u>269,147</u>	<u>198,321</u>

Group

	Deferred tax £
Balance at 1 September 2011	212,299
Accelerated capital allowances	<u>64,907</u>
Balance at 31 August 2012	<u>277,206</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

19. PROVISIONS FOR LIABILITIES - continued

Company	Deferred tax £
Balance at 1 September 2011	198,321
Accelerated capital allowances	<u>70,826</u>
Balance at 31 August 2012	<u>269,147</u>

20. ACCRUALS AND DEFERRED INCOME

	Group		Company	
	31.8.12 £	31.8.11 £	31.8.12 £	31.8.11 £
Deferred government grants	<u>350,229</u>	<u>-</u>	<u>350,229</u>	<u>-</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value*	31.8.12	31.8.11
Number:	Class*		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

22. RESERVES

Group	Profit and loss account £
At 1 September 2011	1,827,503
Profit for the year	626,352
Dividends	<u>(80,000)</u>
At 31 August 2012	<u>2,373,855</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

22. RESERVES - continued

Company	Profit and loss account £
At 1 September 2011	2,069,762
Profit for the year	534,936
Dividends	<u>(80,000)</u>
At 31 August 2012	<u>2,524,698</u>

23. RELATED PARTY DISCLOSURES

During the year the following transactions took place with companies which Mr A R Howell and Ms S A Howell are also directors:

Name of company	Type of transaction	31 8 12 £	31.8 11 £
Wye Valley Demolition Ltd	Provision of services	66,795	127,181
	Demolition expenses	240,000	130,700
	Plant and equipment hire	150,000	388,000
	Balance owing at year end	<u>(1,079,873)</u>	<u>(1,329,207)</u>
Wye Valley Reclamation Ltd	Provision of services	10,515	10810
	Stock	40,000	68000
	Balance due at year end	37,393	<u>(10,186)</u>
Wye Valley Skips Ltd	Provision of services	159,313	294,150
	Plant and equipment hire	10,000	324,625
	Balance owing at year end	<u>(1,041,358)</u>	<u>(853,210)</u>
Eastside 2000 Ltd	Rent of premises	40,000	40,000
	Provision of services	9,097	4,950
	Balance due at year end	1,932,166	1,480,630
Prego Restaurants Ltd	Balance due at year end	59,954	59,954
UK Biomass Fuels Ltd	Balance due at year end	100,922	77,661
Wye Valley Green Energy Ltd	Balance due at year end	693	693
UK Bus Dismantlers Ltd	Balance due at year end	24,396	29,190

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 August 2012

During the year following transactions took place with related parties

Name of related party	Type of transaction	31.8.12 £	31.8.11 £
Mr J Howell (Shareholder)	Rent of premises	6,400	6,400
	Consultancy fees	4,600	4,600
	Dividend	20,800	123,614
Mr A Howell (Director and Shareholder)	Dividend	29,600	175,913
Mrs S Howell (Director and Shareholder)	Dividend	29,600	175,913
Mr T David (Director and Shareholder of Sigerc Ltd)	Consultancy fees	60,000	60,000

During the year the directors jointly made a loan to the company. As at the year end there was £1,043 (2011 £1,923) outstanding

24 **ULTIMATE CONTROLLING PARTY**

Mr A R Howell and Mrs S A Howell control the company by virtue of their shareholding.

25 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Group	31.8.12 £	31.8.11 £
Profit for the financial year	626,352	882,755
Dividends	(80,000)	(475,440)
Net addition to shareholders' funds	546,352	407,315
Opening shareholders' funds	1,828,503	1,421,188
Closing shareholders' funds	2,374,855	1,828,503
Company	31.8.12 £	31.8.11 £
Profit for the financial year	534,936	572,751
Dividends	(80,000)	(475,440)
Net addition to shareholders' funds	454,936	97,311
Opening shareholders' funds	2,070,762	1,973,451
Closing shareholders' funds	2,525,698	2,070,762