

AVALON METALS LIMITED
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2013

FRIDAY



A39020CW

A08

30/05/2014

#59

COMPANIES HOUSE

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

	Page
Company Information	1
Report of the Directors	2 to 4
Report of the Independent Auditors	5
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10 to 11
Notes to the Consolidated Financial Statements	12 to 24

AVALON METALS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2013**

DIRECTORS:	Ms S A Howell A Howell
SECRETARY:	Ms S A Howell
REGISTERED OFFICE:	Lloyd George House Fordshill Road Rotherwas Ind Estate Here Herefordshire HR2 6NS
REGISTERED NUMBER:	03232713 (England and Wales)
AUDITORS:	UHY Hacker Young Chartered Accountants & Statutory Auditors Lanyon House Mission Court Newport South Wales NP20 2DW
BANKERS:	National Westminster Bank Plc 21 Eastgate Street Gloucester Gloucestershire GL1 1NH

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2013.

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 directors are content with the group's and company's results for the year and are looking forward to progress in the coming year.

The trading results for the year and the group's and company's financial position at the end of the year are shown in the attached financial statements. The Board uses key performance indicators in the management of the key risks of the business and as a measure of the business efficiencies of the company. The key performance indicators used to monitor the company's performance are revenue and gross profit. Revenue has decreased by 8.3% on the prior year reflecting the difficult market; however, gross profit margin has improved slightly to 42.1% for the year ended 31 August 2013 compared to 39.8% in the prior year.

Shareholders funds have increased to £2.8 million (2012: £2.4 million) for the group and £2.9 million (2012: £2.5 million) for the company.

DIVIDENDS

The directors recommend a final dividend of £128,000 to be paid to ordinary shareholders which, together with the interim dividend of £77,000 makes a total of £205,000 for the year (2012: £80,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2012 to the date of this report.

Ms S A Howell
A Howell

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2013**

FINANCIAL RISK MANAGEMENT

The group's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial instruments is monitored by the Board of directors; the group does not use financial instruments for speculative purposes.

The group's principal financial instruments comprise bank balances, trade creditors, and trade debtors. The main purpose of these instruments is to raise funds to finance the group's operations.

Cash flow risk

The group has few interest bearing assets and liabilities which minimises the uncertainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables. The group's credit risk is primarily attributable to its trade and other receivables.

The group manages credit risk in respect of trade debtors by regularly monitoring credit limits and balances outstanding. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term finance. The group manages the liquidity risk by monitoring working capital and ensuring there are sufficient funds to meet payments.

Price risk

Due to the nature of the financial instruments used by the group there is no exposure to price risk.

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.

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.

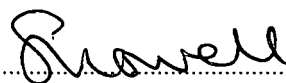
AVALON METALS LIMITED (REGISTERED NUMBER: 03232713)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2013**

AUDITORS

UHY Hacker Young were appointed by the directors during the year; they are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:


.....
Ms S A Howell - Director

Date: 29.05.2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AVALON METALS LIMITED

We have audited the financial statements of Avalon Metals Limited for the year ended 31 August 2013 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 page 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 2013 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.

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.



John Griffiths FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
Chartered Accountants & Statutory Auditors
Newport
South Wales

Date: 29/05/2014

AVALON METALS LIMITED (REGISTERED NUMBER: 03232713)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Notes	2013 £	2012 £
TURNOVER		11,306,628	12,325,403
Cost of sales		(6,549,277)	(7,421,439)
GROSS PROFIT		4,757,351	4,903,964
Administrative expenses		(4,288,940)	(3,869,307)
		468,411	1,034,657
Other operating income		323,205	25,016
OPERATING PROFIT	4	791,616	1,059,673
Interest receivable and similar income		263	400
		791,879	1,060,073
Interest payable and similar charges	5	(103,962)	(121,391)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		687,917	938,682
Tax on profit on ordinary activities	6	(75,075)	(309,503)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		612,842	629,179
Minority interest - equity		4,466	(2,827)
RETAINED PROFIT FOR THE GROUP CARRIED FORWARD		617,308	626,352

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

CONSOLIDATED BALANCE SHEET
31 AUGUST 2013

		2013	2012
	Notes	£	£
FIXED ASSETS			
Intangible assets	9	56,000	63,000
Tangible assets	10	7,265,356	6,944,312
Investments	11	-	-
		<u>7,321,356</u>	<u>7,007,312</u>
CURRENT ASSETS			
Stocks	12	599,949	596,660
Debtors	13	4,143,786	2,818,674
Investments	14	3,928	3,928
Cash at bank and in hand		110,161	945,004
		<u>4,857,824</u>	<u>4,364,266</u>
CREDITORS			
Amounts falling due within one year	15	4,960,054	4,043,918
NET CURRENT (LIABILITIES)/ASSETS		<u>(102,230)</u>	<u>320,348</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,219,126</u>	<u>7,327,660</u>
CREDITORS			
Amounts falling due after more than one year	16	(3,990,084)	(4,330,026)
PROVISIONS FOR LIABILITIES	20	(223,974)	(277,206)
ACCRUALS AND DEFERRED INCOME	21	(227,024)	(350,229)
MINORITY INTERESTS	22	9,119	4,656
NET ASSETS		<u>2,787,163</u>	<u>2,374,855</u>
CAPITAL AND RESERVES			
Called up share capital	23	1,000	1,000
Profit and loss account	24	2,786,163	2,373,855
SHAREHOLDERS' FUNDS	26	<u>2,787,163</u>	<u>2,374,855</u>

The financial statements were approved by the Board of Directors on 29.05.2014 and were signed on its behalf by:



Ms S A Howell - Director

The notes form part of these financial statements

AVALON METALS LIMITED (REGISTERED NUMBER: 03232713)

COMPANY BALANCE SHEET
31 AUGUST 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	9	56,000	63,000
Tangible assets	10	3,179,759	3,264,385
Investments	11	97	97
		<u>3,235,856</u>	<u>3,327,482</u>
CURRENT ASSETS			
Stocks	12	599,949	596,660
Debtors	13	4,814,144	3,051,579
Investments	14	3,928	3,928
Cash at bank and in hand		73,872	944,101
		<u>5,491,893</u>	<u>4,596,268</u>
CREDITORS			
Amounts falling due within one year	15	<u>4,525,295</u>	<u>3,742,096</u>
NET CURRENT ASSETS		<u>966,598</u>	<u>854,172</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,202,454</u>	<u>4,181,654</u>
CREDITORS			
Amounts falling due after more than one year	16	(863,078)	(1,036,580)
PROVISIONS FOR LIABILITIES	20	(215,915)	(269,147)
ACCRUALS AND DEFERRED INCOME	21	(227,024)	(350,229)
NET ASSETS		<u><u>2,896,437</u></u>	<u><u>2,525,698</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	1,000	1,000
Profit and loss account	24	2,895,437	2,524,698
SHAREHOLDERS' FUNDS	26	<u><u>2,896,437</u></u>	<u><u>2,525,698</u></u>

The financial statements were approved by the Board of Directors on 29.08.2014 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 2013**

		2013		2012	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		744,629		834,020
Returns on investments and servicing of finance	2		(103,699)		(120,991)
Taxation			(242,425)		(243,925)
Capital expenditure	2		(752,983)		(1,071,876)
Equity dividends paid			(205,000)		(80,000)
			(559,478)		(682,772)
Financing	2		(191,282)		74,764
Decrease in cash in the period			(750,760)		(608,008)
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(750,760)		(608,008)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		191,282		(74,764)	
Change in net debt resulting from cash flows			(559,478)		(682,772)
Movement in net debt in the period			(559,478)		(682,772)
Net debt at 1 September			(4,061,274)		(3,378,502)
Net debt at 31 August			(4,620,752)		(4,061,274)

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

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

	2013	2012
	£	£
Operating profit	791,616	1,059,673
Depreciation charges	586,292	744,821
Profit on disposal of fixed assets	(147,353)	(92,165)
Government grants	(123,205)	(25,016)
(Increase)/decrease in stocks	(3,289)	248,370
Increase in debtors	(1,325,112)	(729,472)
Increase/(decrease) in creditors	965,680	(372,191)
Net cash inflow from operating activities	744,629	834,020

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

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	263	400
Interest paid	(86,759)	(85,693)
Interest element of hire purchase payments	(17,203)	(35,698)
Net cash outflow for returns on investments and servicing of finance	(103,699)	(120,991)
Capital expenditure		
Purchase of tangible fixed assets	(1,010,000)	(1,232,926)
Sale of tangible fixed assets	257,017	161,050
Net cash outflow for capital expenditure	(752,983)	(1,071,876)
Financing		
New loans in year	-	780,000
Loan repayments in year	(161,823)	(155,474)
Capital repayments in year	(185,111)	(552,732)
Amount introduced by directors	158,850	3,850
Amount withdrawn by directors	(3,198)	(880)
Net cash (outflow)/inflow from financing	(191,282)	74,764

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.12 £	Cash flow £	At 31.8.13 £
Net cash:			
Cash at bank and in hand	945,004	(834,843)	110,161
Bank overdraft	(117,497)	84,083	(33,414)
	<u>827,507</u>	<u>(750,760)</u>	<u>76,747</u>
Liquid resources:			
Current asset investments	3,928	-	3,928
	<u>3,928</u>	<u>-</u>	<u>3,928</u>
Debt:			
Hire purchase	(1,437,165)	185,111	(1,252,054)
Debts falling due within one year	(162,098)	(160,269)	(322,367)
Debts falling due after one year	(3,293,446)	166,440	(3,127,006)
	<u>(4,892,709)</u>	<u>191,282</u>	<u>(4,701,427)</u>
Total	<u>(4,061,274)</u>	<u>(559,478)</u>	<u>(4,620,752)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 August each year. The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Turnover

Turnover is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for goods provided. Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 5% on cost
Plant and machinery	- 20% on reducing balance and Straight line over 15 years
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Investments

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

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.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2. STAFF COSTS

	2013 £	2012 £
Wages and salaries	1,075,889	771,104
Social security costs	93,777	92,762
	<u>1,169,666</u>	<u>863,866</u>

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

	2013	2012
Directors	1	2
Administrative	5	4
Production	33	32
	<u>39</u>	<u>38</u>

3. DIRECTORS' EMOLUMENTS

	2013 £	2012 £
Directors' remuneration	<u>20,533</u>	<u>20,904</u>

The number of directors to whom retirement benefits were accruing was as follows:

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

3. DIRECTORS' EMOLUMENTS - continued

Remuneration of the highest paid director:

	2013	2012
	£	£
Aggregate emoluments (including benefits in kind)	20,533	20,904
Company contributions to money purchase schemes	720	720
	<u>21,253</u>	<u>21,624</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Other operating leases	51,182	51,617
Depreciation - owned assets	295,863	438,855
Depreciation - assets on hire purchase contracts	297,482	298,966
Profit on disposal of fixed assets	(147,353)	(92,165)
Goodwill amortisation	7,000	7,000
Auditors' remuneration	8,000	7,500
Foreign exchange differences	(1,179)	34,253
	<u></u>	<u></u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	86,031	79,795
Interest on overdue tax	728	-
Tax penalties	-	5,898
Hire purchase	17,203	35,698
	<u>103,962</u>	<u>121,391</u>

6. TAXATION

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	128,307	244,596
Deferred tax	(53,232)	64,907
Tax on profit on ordinary activities	<u>75,075</u>	<u>309,503</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

7. 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 £575,739 (2012 - £534,936).

8. DIVIDENDS

	2013 £	2012 £
Ordinary A Shares shares of £1 each		
Final	128,000	-
Interim	77,000	80,000
	<u>205,000</u>	<u>80,000</u>

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 September 2012 and 31 August 2013	140,000
AMORTISATION	
At 1 September 2012	77,000
Amortisation for year	7,000
At 31 August 2013	84,000
NET BOOK VALUE	
At 31 August 2013	56,000
At 31 August 2012	63,000

Company

	Goodwill £
COST	
At 1 September 2012 and 31 August 2013	140,000
AMORTISATION	
At 1 September 2012	77,000
Amortisation for year	7,000
At 31 August 2013	84,000
NET BOOK VALUE	
At 31 August 2013	56,000
At 31 August 2012	63,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 September 2012	3,358,032	5,101,379	714,017	903,885	10,077,313
Additions	457,210	484,696	28,094	40,000	1,010,000
Disposals	-	(423,573)	(7,690)	(36,650)	(467,913)
At 31 August 2013	3,815,242	5,162,502	734,421	907,235	10,619,400
DEPRECIATION					
At 1 September 2012	24,205	2,274,900	331,353	488,490	3,118,948
Charge for year	2,184	403,710	81,648	105,803	593,345
Eliminated on disposal	-	(334,557)	(5,172)	(18,520)	(358,249)
At 31 August 2013	26,389	2,344,053	407,829	575,773	3,354,044
NET BOOK VALUE					
At 31 August 2013	3,788,853	2,818,449	326,592	331,462	7,265,356
At 31 August 2012	3,333,827	2,826,479	382,664	415,395	6,958,365

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 September 2012	2,368,617	397,928	2,766,545
Additions	303,500	-	303,500
Disposals	(245,000)	-	(245,000)
At 31 August 2013	2,427,117	397,928	2,825,045
DEPRECIATION			
At 1 September 2012	633,798	227,970	861,768
Charge for year	254,992	42,490	297,482
Eliminated on disposal	(193,619)	-	(193,619)
At 31 August 2013	695,171	270,460	965,631
NET BOOK VALUE			
At 31 August 2013	1,731,946	127,468	1,859,414
At 31 August 2012	1,734,819	169,958	1,904,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 September 2012	43,689	5,101,379	38,123	903,885	6,087,076
Additions	-	484,696	1,123	40,000	525,819
Disposals	-	(423,573)	(7,690)	(36,650)	(467,913)
At 31 August 2013	43,689	5,162,502	31,556	907,235	6,144,982
DEPRECIATION					
At 1 September 2012	24,205	2,274,900	21,043	488,490	2,808,638
Charge for year	2,184	403,710	3,137	105,803	514,834
Eliminated on disposal	-	(334,557)	(5,172)	(18,520)	(358,249)
At 31 August 2013	26,389	2,344,053	19,008	575,773	2,965,223
NET BOOK VALUE					
At 31 August 2013	17,300	2,818,449	12,548	331,462	3,179,759
At 31 August 2012	19,484	2,826,479	17,080	415,395	3,278,438

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 September 2012	2,368,617	397,928	2,766,545
Additions	303,500	-	303,500
Disposals	(245,000)	-	(245,000)
At 31 August 2013	2,427,117	397,928	2,825,045
DEPRECIATION			
At 1 September 2012	633,798	227,970	861,768
Charge for year	254,992	42,490	297,482
Eliminated on disposal	(193,619)	-	(193,619)
At 31 August 2013	695,171	270,460	965,631
NET BOOK VALUE			
At 31 August 2013	1,731,946	127,468	1,859,414
At 31 August 2012	1,734,819	169,958	1,904,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 September 2012
and 31 August 2013

97

NET BOOK VALUE

At 31 August 2013

97

At 31 August 2012

97

12. STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Stocks	580,724	589,378	580,724	589,378
Work-in-progress	19,225	7,282	19,225	7,282
	<u>599,949</u>	<u>596,660</u>	<u>599,949</u>	<u>596,660</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,664,437	359,525	1,618,275	217,396
Amounts owed by group undertakings	-	-	936,858	558,123
Other debtors	2,466,914	2,451,087	2,259,011	2,276,060
Prepayments and accrued income	12,435	8,602	-	-
Prepayments	-	(540)	-	-
	<u>4,143,786</u>	<u>2,818,674</u>	<u>4,814,144</u>	<u>3,051,579</u>

14. CURRENT ASSET INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Unlisted investments	<u>3,928</u>	<u>3,928</u>	<u>3,928</u>	<u>3,928</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts (see note 17)	195,236	274,702	33,414	122,232
Hire purchase contracts (see note 18)	388,976	400,585	388,976	400,585
Trade creditors	846,398	858,927	836,786	853,376
Tax	128,330	242,448	113,987	176,514
Social security and other taxes	23,706	25,495	23,706	25,495
VAT	309,050	51,813	285,329	23,921
Other creditors	2,655,171	2,083,838	2,654,442	2,083,838
Directors' current accounts	160,545	4,893	1,695	1,043
Accruals and deferred income	48,104	26,838	-	-
Accrued expenses	204,538	74,379	186,960	55,092
	<u>4,960,054</u>	<u>4,043,918</u>	<u>4,525,295</u>	<u>3,742,096</u>

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans (see note 17)	3,127,006	3,293,446	-	-
Hire purchase contracts (see note 18)	863,078	1,036,580	863,078	1,036,580
	<u>3,990,084</u>	<u>4,330,026</u>	<u>863,078</u>	<u>1,036,580</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	33,414	117,497	33,414	122,232
Bank loans	161,822	157,205	-	-
	<u>195,236</u>	<u>274,702</u>	<u>33,414</u>	<u>122,232</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>3,127,006</u>	<u>3,293,446</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2013	2012
	£	£
Net obligations repayable:		
Within one year	388,976	400,585
Between one and five years	863,078	1,036,580
	<u>1,252,054</u>	<u>1,437,165</u>

Company

	Hire purchase contracts	
	2013	2012
	£	£
Net obligations repayable:		
Within one year	388,976	400,585
Between one and five years	863,078	1,036,580
	<u>1,252,054</u>	<u>1,437,165</u>

The following operating lease payments are committed to be paid within one year:

Company

	Land and buildings	
	2013	2012
	£	£
Expiring:		
In more than five years	<u>40,000</u>	<u>40,000</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	2013	2012
	£	£
Bank overdrafts	<u>33,414</u>	<u>122,232</u>

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Deferred tax	<u>223,974</u>	<u>277,206</u>	<u>215,915</u>	<u>269,147</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

20. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 September 2012	277,206
Credit to profit and loss account during year	(53,232)
Balance at 31 August 2013	<u>223,974</u>

Company

	Deferred tax £
Balance at 1 September 2012	269,147
Credit to profit and loss account during year	(53,232)
Balance at 31 August 2013	<u>215,915</u>

Analysis of deferred tax

Deferred tax is provided as follows:

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Accelerated capital allowance	<u>223,973</u>	<u>277,206</u>	<u>215,915</u>	<u>269,147</u>

21. ACCRUALS AND DEFERRED INCOME

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Deferred government grants	<u>227,024</u>	<u>350,229</u>	<u>227,024</u>	<u>350,229</u>

22. MINORITY INTERESTS

	£
At 1 September 2012	4,656
Profit on ordinary activities after taxation	<u>4,463</u>
At 31 August 2013	<u>9,119</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2013	2012
Number:	Class:		£	£
1,000	Ordinary A Shares	£1	<u>1,000</u>	<u>1,000</u>

24. RESERVES

Group

	Profit and loss account £
At 1 September 2012	2,373,855
Profit for the year	617,308
Dividends	(205,000)
At 31 August 2013	<u>2,786,163</u>

Company

	Profit and loss account £
At 1 September 2012	2,524,698
Profit for the year	575,739
Dividends	(205,000)
At 31 August 2013	<u>2,895,437</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

25. RELATED PARTY DISCLOSURES

During the year the group was charged consultancy fees of £60,000 (2012: £60,000) by Mr T. David, a director and shareholder of the subsidiary company Sigeric Limited. At the year end the group had accrued £5,000 (2012: £5,000) for consultancy fees payable to Mr T David.

During the year the group was charged £6,400 (2012: £6,400) by Mr J Howell, a shareholder of the company, for rent of premises and £4,600 (2012: £4,600) for consultancy fees.

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

Name of company	Type of transaction	31.08.2013 £	31.08.2012 £
Wye Valley Demolition Limited	Provision of services	94,635	66,795
	Waste disposal	170,000	240,000
	Plant and equipment hire	470,000	150,000
	Balance owing at year end	(1,578,269)	(1,079,873)
Wye Valley Reclamation Limited	Provision of services	10,450	10,515
	Stock	-	40,000
	Balance due at year end	94,951	37,393
-Wye Valley Skips Limited	Provision of services	49,202	159,313
	Plant and equipment hire	100,000	10,000
	Waste disposal	105,000	-
	Balance owing at year end	(1,059,033)	(1,041,358)
Eastside 2000 Limited	Rent of premises	40,000	40,000
	Provision of services	15,904	9,097
	Balance due at year end	2,060,627	1,932,166
Prego Restaurants Limited	Balance due at year end	59,954	59,954
UK Biomass Fuels Limited	Balance due at year end	21,799	100,922
Wye Valley Green Energy Limited	Balance due at year end	693	693
UK Bus Dismantlers Limited 24,396	Balance due at year end	13,302	

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2013 £	2012 £
Profit for the financial year	617,308	626,352
Dividends	(205,000)	(80,000)
Net addition to shareholders' funds	412,308	546,352
Opening shareholders' funds	2,374,855	1,828,503
Closing shareholders' funds	2,787,163	2,374,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2013	2012
	£	£
Profit for the financial year	575,739	534,936
Dividends	(205,000)	(80,000)
Net addition to shareholders' funds	370,739	454,936
Opening shareholders' funds	2,525,698	2,070,762
Closing shareholders' funds	2,896,437	2,525,698