

COMPANY REGISTRATION NUMBER 587816

**RILMAC HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2009**

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RILMAC HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

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RILMAC HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	P K Walker S A Baxter
Company secretary	Mrs N Walker
Registered office	Crofton Drive Allenby Road Industrial Estate Lincoln LN3 1XW
Auditor	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW

RILMAC HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 August 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The group is engaged in three main areas:

Industrial thermal insulation and licensed asbestos removal
Sheet/heavy steel fabrication
Scaffolding hire

We consider that our key performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, gross margin and return on capital employed. Turnover of the group fell by 5.7% to £11,941,033 with scaffolding hire falling 14%. The area is confident of turnover increasing during the current year. Industrial thermal insulation and licensed asbestos removal turnover rose in the year by 8% and sheet/heavy steel fabrication by 17%.

The business has shown good progress during the year and this has left the company in a good financial position at the year end despite the current economic recession.

Overall operating profit was £130,213 despite strong market competition. After taxation £13,283 has been added to reserves.

Return on capital employed has fallen from 6.8% to 6.3% and remains satisfactory. Return on capital employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less cash, plus overdrafts and other short term borrowings.

As for many businesses of our size, the business environment in which we operate continues to be challenging but we are confident that the company will maintain its market share.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £11,979. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 18 to the accounts.

DIRECTORS

The directors who served the company during the year were as follows:

R K Walker
P K Walker
S A Baxter

R K Walker passed away on 4 November 2009.

RILMAC HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2009

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office
Crofton Drive
Allenby Road Industrial Estate
Lincoln
LN3 1XW

Signed by order of the directors



MRS N WALKER
Company Secretary

Approved by the directors on 24 May 2010

RILMAC HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
RILMAC HOLDINGS LIMITED
YEAR ENDED 31 AUGUST 2009

We have audited the group and parent company financial statements ("the financial statements") of Rilmac Holdings Limited for the year ended 31 August 2009 which comprise the Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet and Company Company Balance Sheet, Group Cash Flow 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 shareholders, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 August 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

RILMAC HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RILMAC HOLDINGS LIMITED (continued)

YEAR ENDED 31 AUGUST 2009

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



RALPH GODLEY (Senior Statutory
Auditor)
For and on behalf of
STREETS AUDIT LLP
Chartered Accountants
& Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

25 May 2010

RILMAC HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2009

	Note	2009 £	2008 £
GROUP TURNOVER	2	11,941,033	12,672,291
Cost of sales		<u>8,093,948</u>	<u>8,647,644</u>
GROSS PROFIT		3,847,085	4,024,647
Distribution costs		<u>238,693</u>	<u>272,503</u>
Administrative expenses		<u>3,478,179</u>	<u>3,586,704</u>
OPERATING PROFIT	3	130,213	165,440
Interest receivable		<u>888</u>	<u>11,300</u>
Interest payable and similar charges	6	<u>(80,544)</u>	<u>(77,266)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		50,557	99,474
Tax on profit on ordinary activities	7	<u>37,274</u>	<u>40,728</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,283	58,746
Minority interests		<u>1,304</u>	<u>2,065</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	8	11,979	56,681
PROFIT FOR THE FINANCIAL YEAR		<u>11,979</u>	<u>56,681</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 11 to 24 form part of these financial statements

RILMAC HOLDINGS LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2009	2008
	£	£
Reported profit on ordinary activities before taxation	50,557	99,474
Realisation of gains recognised in previous periods	<u>5,061</u>	<u>5,061</u>
Historical cost profit on ordinary activities before taxation	<u>55,618</u>	<u>104,535</u>
Historical cost profit for the year retained after taxation, minority interests and dividends	<u>17,040</u>	<u>61,742</u>

The notes on pages 11 to 24 form part of these financial statements.

RILMAC HOLDINGS LIMITED

GROUP BALANCE SHEET

31 AUGUST 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Intangible assets	9	—	—
Tangible assets	10	<u>2,628,608</u>	<u>2,690,726</u>
		<u>2,628,608</u>	<u>2,690,726</u>
CURRENT ASSETS			
Stocks	12	787,872	967,962
Debtors	13	<u>3,217,646</u>	<u>3,905,394</u>
		4,005,518	4,873,356
CREDITORS: Amounts falling due within one year	14	<u>4,126,345</u>	<u>4,951,868</u>
NET CURRENT LIABILITIES		<u>(120,827)</u>	<u>(78,512)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,507,781</u>	<u>2,612,214</u>
CREDITORS: Amounts falling due after more than one year	15	237,020	357,211
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	<u>105,944</u>	<u>103,469</u>
		<u>2,164,817</u>	<u>2,151,534</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	2,200	2,200
Share premium account	23	900	900
Revaluation reserve	24	292,545	297,606
Other reserves	25	60,351	60,351
Profit and loss account	26	<u>1,783,654</u>	<u>1,766,614</u>
SHAREHOLDERS' FUNDS	27	<u>2,139,650</u>	<u>2,127,671</u>
MINORITY INTERESTS		<u>25,167</u>	<u>23,863</u>
		<u>2,164,817</u>	<u>2,151,534</u>

These financial statements were approved by the directors and authorised for issue on 24 May 2010, and are signed on their behalf by

P K WALKER



The notes on pages 11 to 24 form part of these financial statements

RILMAC HOLDINGS LIMITED

COMPANY BALANCE SHEET

31 AUGUST 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	10	657,980	664,851
Investments	11	99,599	99,599
		<u>757,579</u>	<u>764,450</u>
CURRENT ASSETS			
Debtors	13	2,822,056	2,712,659
CREDITORS: Amounts falling due within one year	14	<u>1,267,293</u>	<u>1,357,615</u>
NET CURRENT ASSETS		<u>1,554,763</u>	<u>1,355,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,312,342</u>	<u>2,119,494</u>
CREDITORS: Amounts falling due after more than one year	15	15,271	24,123
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	(7,636)	(16,096)
		<u>2,304,707</u>	<u>2,111,467</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	2,200	2,200
Share premium account	23	900	900
Revaluation reserve	24	292,545	297,606
Other reserves	25	1,634	1,634
Profit and loss account	26	2,007,428	1,809,127
SHAREHOLDERS' FUNDS		<u>2,304,707</u>	<u>2,111,467</u>

These financial statements were approved by the directors and authorised for issue on 24 May 2010, and are signed on their behalf by

P K WALKER



Company Registration Number 587816

The notes on pages 11 to 24 form part of these financial statements

RILMAC HOLDINGS LIMITED

GROUP CASH FLOW

YEAR ENDED 31 AUGUST 2009

	Note	2009 £	2008 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	29	901,077	(342,755)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		888	11,300
Interest paid		(30,985)	(25,147)
Interest element of hire purchase		<u>(50,968)</u>	<u>(52,599)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(81,065)	(66,446)
TAXATION		(60,933)	(56,184)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(585,071)	(819,600)
Receipts from sale of fixed assets		<u>69,420</u>	<u>211,790</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(515,651)	(607,810)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		243,428	(1,073,195)
FINANCING			
Repayment of other loans		(25,774)	(32,441)
(Repayment of)/increase in bank loans		(14,252)	174,321
Capital element of hire purchase		<u>(205,712)</u>	<u>(35,472)</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(245,738)	106,408
DECREASE IN CASH	29	<u>(2,310)</u>	<u>(966,787)</u>

The notes on pages 11 to 24 form part of these financial statements

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

17 years (straight line basis)

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

50 years (straight line basis)

15% (reducing balance) and 20%/33% (straight line)

15% (reducing balance)

25% (reducing balance)

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock is included in the accounts on a first in first out basis.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES *(continued)*

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the group.

An analysis of turnover is given below:

	2009 £	2008 £
United Kingdom	<u>11,941,033</u>	<u>12,672,291</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2009 £	2008 £
Depreciation of owned fixed assets	315,832	404,653
Depreciation of assets held under hire purchase agreements	244,181	297,418
Loss on disposal of fixed assets	17,756	13,411
Auditor's remuneration		
- as auditor	19,450	18,976
Operating lease costs		
- Plant and equipment	61,705	42,239
- Other	<u>81,292</u>	<u>78,412</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2009	2008
	No	No
Number of production staff	165	167
Number of office and management staff	44	45
	<u>209</u>	<u>212</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	5,073,878	5,205,712
Social security costs	519,133	614,687
Other pension costs	46,101	55,301
	<u>5,639,112</u>	<u>5,875,700</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Remuneration receivable	218,453	364,869
Value of company pension contributions to money purchase schemes	4,478	1,755
	<u>222,931</u>	<u>366,624</u>

Remuneration of highest paid director:

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	<u>134,940</u>	<u>279,333</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009	2008
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	14,719	5,855
Interest on loans	4,857	8,812
Finance charges	50,968	52,599
Other interest	10,000	10,000
	<u>80,544</u>	<u>77,266</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2008 - 21%)	34,799	60,933
(Over)/under provision in prior year	<u>-</u>	<u>(3,739)</u>
Total current tax	34,799	57,194
Deferred tax		
Origination and reversal of timing differences	<u>2,475</u>	<u>(16,466)</u>
Tax on profit on ordinary activities	<u>37,274</u>	<u>40,728</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 - 21%)

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>50,557</u>	<u>99,474</u>
Profit on ordinary activities by rate of tax	10,617	20,293
Depreciation	146,502	145,958
Capital allowances	(130,937)	(119,199)
Permanent timing differences	8,617	10,905
Over provision in prior years	<u>-</u>	<u>(763)</u>
Total current tax (note 7(a))	<u>34,799</u>	<u>57,194</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £193,524 (2008 - £(1,771))

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

9. INTANGIBLE FIXED ASSETS

Group	<u>Goodwill</u> £
COST	
At 1 September 2008 and 31 August 2009	<u>17,000</u>
AMORTISATION	
At 1 September 2008 and 31 August 2009	<u>17,000</u>
NET BOOK VALUE	
At 31 August 2009	<u>-</u>
At 31 August 2008	<u>-</u>

10. TANGIBLE FIXED ASSETS

Group	<u>Leasehold</u> <u>Property</u> £	<u>Plant &</u> <u>Machinery</u> £	<u>Fixtures &</u> <u>Fittings</u> £	<u>Motor</u> <u>Vehicles</u> £	<u>Total</u> £
COST OR VALUATION					
At 1 September 2008	784,340	3,087,988	533,451	1,500,547	5,906,326
Additions	61,341	339,012	94,986	89,732	585,071
Disposals	-	(41,704)	(14,647)	(160,416)	(216,767)
At 31 August 2009	<u>845,681</u>	<u>3,385,296</u>	<u>613,790</u>	<u>1,429,863</u>	<u>6,274,630</u>
DEPRECIATION					
At 1 September 2008	190,046	1,856,364	463,378	705,812	3,215,600
Charge for the year	20,672	370,152	52,038	117,151	560,013
On disposals	-	(23,650)	(12,359)	(93,582)	(129,591)
At 31 August 2009	<u>210,718</u>	<u>2,202,866</u>	<u>503,057</u>	<u>729,381</u>	<u>3,646,022</u>
NET BOOK VALUE					
At 31 August 2009	<u>634,963</u>	<u>1,182,430</u>	<u>110,733</u>	<u>700,482</u>	<u>2,628,608</u>
At 31 August 2008	<u>594,294</u>	<u>1,231,624</u>	<u>70,073</u>	<u>794,735</u>	<u>2,690,726</u>

Long leasehold properties were revalued on an open market basis by Messrs Hodgson Elkington (Chartered Surveyors) in March 1998

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

10 TANGIBLE FIXED ASSETS *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2009 £	2008 £
Net book value at end of year	<u>609,981</u>	<u>609,981</u>
Historical cost	<u>484,878</u>	<u>484,878</u>
Depreciation:		
At 1 September 2008	257,390	247,624
Charge for year	<u>10,126</u>	<u>10,126</u>
At 31 August 2009	<u>267,516</u>	<u>257,750</u>
Net historical cost value:		
At 31 August 2009	<u>217,362</u>	<u>227,128</u>
At 1 September 2008	<u>227,488</u>	<u>237,254</u>

Hire purchase agreements

Included within the net book value of £2,628,608 is £759,501 (2008 - £1,051,912) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £244,181 (2008 - £297,418)

Company	<u>Leasehold Property</u> £	<u>Motor Vehicles</u> £	<u>Equipment</u> £	<u>Total</u> £
COST OR VALUATION				
At 1 September 2008	784,340	75,461	247,682	1,107,483
Additions	—	23,362	8,931	32,293
At 31 August 2009	<u>784,340</u>	<u>98,823</u>	<u>256,613</u>	<u>1,139,776</u>
DEPRECIATION				
At 1 September 2008	190,046	23,463	229,123	442,632
Charge for the year	15,687	13,973	9,504	39,164
At 31 August 2009	<u>205,733</u>	<u>37,436</u>	<u>238,627</u>	<u>481,796</u>
NET BOOK VALUE				
At 31 August 2009	<u>578,607</u>	<u>61,387</u>	<u>17,986</u>	<u>657,980</u>
At 31 August 2008	<u>594,294</u>	<u>51,998</u>	<u>18,559</u>	<u>664,851</u>

Hire purchase agreements

Included within the net book value of £657,980 is £61,389 (2008 - £120,167) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £13,973 (2008 - £40,055)

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11. INVESTMENTS

Company	<u>Group companies</u> £
COST	
At 1 September 2008 and 31 August 2009	<u>119,599</u>
AMOUNTS WRITTEN OFF	
At 1 September 2008 and 31 August 2009	<u>20,000</u>
NET BOOK VALUE	
At 31 August 2009 and 31 August 2008	<u>99,599</u>

<u>Subsidiary undertakings</u>	<u>Country of incorporation</u>	<u>Proportion of voting rights and Holding shares held</u>		<u>Nature of business</u>
Rilmac Insulation Limited	England	Ordinary shares	100%	Insulation and structural contracting
Rilmac Fabrication Limited	England	Ordinary shares	90%	Sheet metal and structural fabrication
Rilmac Scaffolding Limited	England	Ordinary shares	90%	Scaffolding hire
Rilmac Limited	England	Ordinary shares	100%	Dormant
Rilmac Fire Protection Limited	England	Ordinary shares	100%	Fire protection and material installation
Rilmac Scaffolding Scunthorpe Limited	England	Ordinary shares	100%	Scaffolding hire
Rilmac Scaffold Hire Limited	England	Ordinary shares	100%	Dormant

12. STOCKS

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Raw materials	218,746	224,955	—	—
Work in progress	569,126	743,007	—	—
	<u>787,872</u>	<u>967,962</u>	<u>—</u>	<u>—</u>

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13. DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	2,769,638	3,341,298	8,306	1,332
Amounts owed by group undertakings	—	—	2,747,578	2,683,910
Prepayments and accrued income	448,008	564,096	66,172	27,417
	<u>3,217,646</u>	<u>3,905,394</u>	<u>2,822,056</u>	<u>2,712,659</u>

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other loans	25,838	51,612	25,838	51,612
Bank loans and overdrafts	878,744	876,434	303,658	275,677
Trade creditors	839,130	1,122,523	41,631	39,438
Hire purchase agreements	312,450	412,223	17,764	53,463
Directors' loan accounts	192,811	46,318	192,811	46,318
Other creditors including taxation and social security				
Corporation tax	34,799	60,933	7,373	10,407
Other taxation and social security	512,349	579,907	107,536	138,092
Accruals and deferred income	1,330,224	1,801,918	570,682	742,608
	<u>4,126,345</u>	<u>4,951,868</u>	<u>1,267,293</u>	<u>1,357,615</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	904,582	928,046	329,496	327,289
Hire purchase agreements	312,450	412,223	17,764	53,463
	<u>1,217,032</u>	<u>1,340,269</u>	<u>347,260</u>	<u>380,752</u>

15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	15,316	29,568	—	—
Hire purchase agreements	221,704	327,643	15,271	24,123
	<u>237,020</u>	<u>357,211</u>	<u>15,271</u>	<u>24,123</u>

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15. CREDITORS: Amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	15,316	29,568	-	-
Hire purchase agreements	221,704	327,643	15,271	24,123
	<u>237,020</u>	<u>357,211</u>	<u>15,271</u>	<u>24,123</u>

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts payable within 1 year	312,450	412,223	17,764	53,463
Amounts payable between 1 and 2 years	206,433	327,643	-	24,123
Amounts payable between 3 and 5 years	15,271	-	15,271	-
	<u>534,154</u>	<u>739,866</u>	<u>33,035</u>	<u>77,586</u>

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Provision/Asset brought forward	103,469	119,935	(16,096)	(11,415)
Increase/(Decrease) in provision	2,475	(16,466)	8,460	(4,681)
Provision/Asset carried forward	<u>105,944</u>	<u>103,469</u>	<u>(7,636)</u>	<u>(16,096)</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>105,944</u>	-	<u>103,469</u>	-

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2009		2008	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>(7,636)</u>	-	<u>(16,096)</u>	-

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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being

(a) to finance its operations,

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and

(c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations

19. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2009 the group had annual commitments under non-cancellable operating leases as set out below

<u>Group</u>	<u>Land and buildings</u>	
	2009	2008
	£	£
Operating leases which expire		
Within 1 year	-	25,526
Within 2 to 5 years	14,000	-
After more than 5 years	107,590	50,000
	<u>121,590</u>	<u>75,526</u>

20. CONTINGENCIES

Consistent with other companies that have used EBT's as part of tax effective remuneration planning, HM Revenue and Customs have opened up an aspect enquiry. The result of this may not be known in the near future. If HM Revenue and Customs were successful then this could result in the payment of additional tax.

The directors do not consider that this is probable at this stage and hence have not provided for the additional tax in the financial statements. However, as it is possible, the directors have disclosed it as a contingent liability.

21. RELATED PARTY TRANSACTIONS

The company and group was under the control of Mr P K. Walker throughout the current and previous year. Mr P K. Walker is the managing director and majority shareholder.

22. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

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22. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
2,200 Ordinary shares of £1 each	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>

23. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

24. REVALUATION RESERVE

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Balance brought forward	297,606	302,667	297,606	302,667
Transfer to the Profit and Loss Account on realisation	<u>(5,061)</u>	<u>(5,061)</u>	<u>(5,061)</u>	<u>(5,061)</u>
Balance carried forward	<u>292,545</u>	<u>297,606</u>	<u>292,545</u>	<u>297,606</u>

25. OTHER RESERVES

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other reserve	1,634	1,634	1,634	1,634
Consolidation reserve	<u>58,717</u>	<u>58,717</u>	<u>—</u>	<u>—</u>
	<u>60,351</u>	<u>60,351</u>	<u>1,634</u>	<u>1,634</u>

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26 PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward	1,766,614	1,704,872
Profit for the financial year	11,979	56,681
Transfer from revaluation reserve	5,061	5,061
Balance carried forward	<u>1,783,654</u>	<u>1,766,614</u>

27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	11,979	56,681
Transfer from revaluation reserve	5,061	5,061
Transfer to profit and loss account	<u>(5,061)</u>	<u>(5,061)</u>
Net addition to shareholders' funds	11,979	56,681
Opening shareholders' funds	<u>2,127,671</u>	<u>2,070,990</u>
Closing shareholders' funds	<u>2,139,650</u>	<u>2,127,671</u>

28. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There are contingent liabilities in respect of composite cross guarantees between group companies

29. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES**

	2009	2008
	£	£
Operating profit	130,213	165,440
Interest payable	1,409	480
Depreciation	560,013	702,071
Loss on disposal of fixed assets	17,756	13,411
Decrease/(increase) in stocks	180,090	(409,764)
Decrease/(increase) in debtors	687,748	(626,863)
Decrease in creditors	(676,152)	(171,031)
Gain on foreign currency retranslation on debt	-	(16,499)
Net cash inflow/(outflow) from operating activities	<u>901,077</u>	<u>(342,755)</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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29. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009	2008
	£	£
Decrease in cash in the period	(2,310)	(966,787)
Net cash outflow from other loans	25,774	32,441
Net cash outflow from/(inflow) from bank loans	14,252	(174,321)
Cash outflow in respect of hire purchase	<u>205,712</u>	<u>35,472</u>
	<u>243,428</u>	<u>(1,073,195)</u>
Change in net debt	243,428	(1,073,195)
Net debt at 1 September 2008	<u>(1,697,480)</u>	<u>(624,285)</u>
Net debt at 31 August 2009	<u>(1,454,052)</u>	<u>(1,697,480)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2008	Cash flows	At 31 Aug 2009
	£	£	£
Net cash			
Overdrafts	<u>(650,702)</u>	<u>(2,310)</u>	<u>(653,012)</u>
Debt			
Debt due within 1 year	(277,344)	25,774	(251,570)
Debt due after 1 year	(29,568)	14,252	(15,316)
Hire purchase agreements	<u>(739,866)</u>	<u>205,712</u>	<u>(534,154)</u>
	<u>(1,046,778)</u>	<u>245,738</u>	<u>(801,040)</u>
Net debt	<u>(1,697,480)</u>	<u>243,428</u>	<u>(1,454,052)</u>