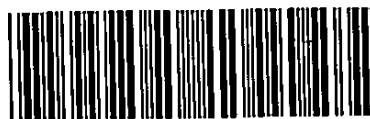


'REGISTRAR'

COMPANY REGISTRATION NUMBER 587816

RILMAC HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2010

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RILMAC HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2010

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RILMAC HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	P K Walker S A Baxter
Company secretary	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
Bankers	National Westminster Bank Plc Lincoln Commercial Banking 2nd Floor, The Maltings Brayford Warf East Lincoln LN5 7DS

RILMAC HOLDINGS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 AUGUST 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 August 2010

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 and erection

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 0.5% to £11,885,614 with scaffolding hire and erection rising 4.4%. Our specialist hire company had a successful first year of trade. The scaffolding area is confident of turnover again increasing during the current year. Industrial thermal insulation and licensed asbestos removal turnover rose in the year by 4.7% and sheet/heavy steel fabrication fell by 17.8%. Both areas are showing promising growth in the current year.

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 £392,058 despite strong market competition. After taxation £249,363 has been added to reserves.

Return on capital employed has risen from 5.3% to 14.2% 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 £248,489. 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 2010

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



N WALKER
Company Secretary

Approved by the directors on 17 May 2011

RILMAC HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
RILMAC HOLDINGS LIMITED
YEAR ENDED 31 AUGUST 2010

We have audited the group and parent company financial statements ("the financial statements") of Rilmac Holdings Limited for the year ended 31 August 2010 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 Part 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 2010 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 2010

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

18 May 2011

RILMAC HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2010

	Note	2010 £	2009 £
GROUP TURNOVER	2	11,885,614	11,941,033
Cost of sales		<u>8,020,769</u>	<u>8,093,948</u>
GROSS PROFIT		3,864,845	3,847,085
Distribution costs		<u>278,463</u>	<u>238,693</u>
Administrative expenses		<u>3,194,324</u>	<u>3,478,179</u>
OPERATING PROFIT	3	392,058	130,213
Interest receivable		–	888
Interest payable and similar charges	6	<u>(68,781)</u>	<u>(80,544)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>323,277</u>	<u>50,557</u>
Tax on profit on ordinary activities	7	<u>73,914</u>	<u>37,274</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>249,363</u>	<u>13,283</u>
Minority interests		<u>874</u>	<u>1,304</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	8	<u>248,489</u>	<u>11,979</u>
PROFIT FOR THE FINANCIAL YEAR		<u>248,489</u>	<u>11,979</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

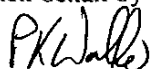
	2010	2009
	£	£
Reported profit on ordinary activities before taxation	323,277	50,557
Realisation of gains recognised in previous periods	<u>5,061</u>	<u>5,061</u>
Historical cost profit on ordinary activities before taxation	<u>328,338</u>	<u>55,618</u>
Historical cost profit for the year retained after taxation, minority interests and dividends	<u>253,550</u>	<u>17,040</u>

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

RILMAC HOLDINGS LIMITED
GROUP BALANCE SHEET
31 AUGUST 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	2,777,134	2,628,608
		<u>2,777,134</u>	<u>2,628,608</u>
CURRENT ASSETS			
Stocks	12	1,366,412	787,872
Debtors	13	3,294,314	3,217,646
		<u>4,660,726</u>	<u>4,005,518</u>
CREDITORS: Amounts falling due within one year	14	<u>4,672,932</u>	<u>4,126,345</u>
NET CURRENT LIABILITIES		<u>(12,206)</u>	<u>(120,827)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,764,928</u>	<u>2,507,781</u>
CREDITORS: Amounts falling due after more than one year	15	191,055	237,020
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	159,693	105,944
		<u>2,414,180</u>	<u>2,164,817</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	2,200	2,200
Share premium account	23	900	900
Revaluation reserve	24	287,484	292,545
Other reserves	25	60,351	60,351
Profit and loss account	26	2,037,204	1,783,654
SHAREHOLDERS' FUNDS	27	<u>2,388,139</u>	<u>2,139,650</u>
MINORITY INTERESTS		<u>26,041</u>	<u>25,167</u>
		<u>2,414,180</u>	<u>2,164,817</u>

These financial statements were approved by the directors and authorised for issue on 17 May 2011, 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 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	10	668,829	657,980
Investments	11	89,599	99,599
		<u>758,428</u>	<u>757,579</u>
CURRENT ASSETS			
Debtors	13	3,137,982	2,822,056
CREDITORS: Amounts falling due within one year	14	<u>1,351,036</u>	<u>1,267,293</u>
NET CURRENT ASSETS		<u>1,786,946</u>	<u>1,554,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,545,374</u>	<u>2,312,342</u>
CREDITORS: Amounts falling due after more than one year	15	38,224	15,271
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	(9,588)	(7,636)
		<u>2,516,738</u>	<u>2,304,707</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	2,200	2,200
Share premium account	23	900	900
Revaluation reserve	24	287,484	292,545
Other reserves	25	1,634	1,634
Profit and loss account	26	2,224,520	2,007,428
SHAREHOLDERS' FUNDS		<u>2,516,738</u>	<u>2,304,707</u>

These financial statements were approved by the directors and authorised for issue on 17 May 2011, 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 2010

	Note	2010 £	2009 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	29	575,877	901,077
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		–	888
Interest paid		(25,999)	(30,985)
Interest element of hire purchase		<u>(42,782)</u>	<u>(50,968)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(68,781)	(81,065)
TAXATION		(34,799)	(60,933)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(726,343)	(585,071)
Receipts from sale of fixed assets		<u>241,367</u>	<u>69,420</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(484,976)	(515,651)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(12,679)	243,428
FINANCING			
Repayment of other loans		(25,838)	(25,774)
Repayment of bank loans		(25,732)	(14,252)
Capital element of hire purchase		<u>(70,635)</u>	<u>(205,712)</u>
NET CASH OUTFLOW FROM FINANCING		(122,205)	(245,738)
DECREASE IN CASH	29	<u>(134,884)</u>	<u>(2,310)</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 2010

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:

Leasehold Property - 50 years (straight line basis)

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

Fixtures and Fittings - 15% (reducing balance)

Motor vehicles - 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 2010

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 2010

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:

	2010	2009
	£	£
United Kingdom	<u>11,885,614</u>	<u>11,941,033</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation of owned fixed assets	262,953	315,832
Depreciation of assets held under hire purchase agreements	206,836	244,181
(Profit)/Loss on disposal of fixed assets	(133,339)	17,756
Auditor's remuneration		
- as auditor	19,420	19,450
Operating lease costs		
- Plant and equipment	50,882	61,705
- Other	<u>98,604</u>	<u>81,292</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2010

4. PARTICULARS OF EMPLOYEES

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

	2010	2009
	No	No
Number of production staff	168	165
Number of office and management staff	43	44
	<u>211</u>	<u>209</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	6,507,638	5,073,878
Social security costs	547,941	519,133
Other pension costs	37,968	46,101
	<u>7,093,547</u>	<u>5,639,112</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	400,691	218,453

Remuneration of highest paid director:

	2010	2009
	£	£
Total remuneration (excluding pension contributions)	312,184	134,940

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

	2010	2009
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Interest payable on bank borrowing	19,900	14,719
Interest on loans	6,099	4,857
Finance charges	42,782	50,968
Other interest	-	10,000
	<u>68,781</u>	<u>80,544</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2010

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009 - 21%)	<u>20,165</u>	<u>34,799</u>
Total current tax	<u>20,165</u>	<u>34,799</u>
Deferred tax		
Origination and reversal of timing differences	<u>53,749</u>	<u>2,475</u>
Tax on profit on ordinary activities	<u>73,914</u>	<u>37,274</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2009 - 21%)

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>323,277</u>	<u>50,557</u>
Profit on ordinary activities by rate of tax	<u>67,888</u>	<u>10,617</u>
Depreciation	<u>70,999</u>	<u>146,502</u>
Capital allowances	<u>(126,790)</u>	<u>(130,937)</u>
Permanent timing differences	<u>8,068</u>	<u>8,617</u>
Total current tax (note 7(a))	<u>20,165</u>	<u>34,799</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £211,747 (2009 - £193,240)

9. INTANGIBLE FIXED ASSETS

Group	<u>Goodwill</u>
	£
COST	
At 1 September 2009 and 31 August 2010	<u>17,000</u>
AMORTISATION	
At 1 September 2009 and 31 August 2010	<u>17,000</u>
NET BOOK VALUE	
At 31 August 2010	<u>-</u>
At 31 August 2009	<u>-</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2010

9. INTANGIBLE FIXED ASSETS *(continued)*

10. TANGIBLE FIXED ASSETS

Group	<u>Leasehold Property</u> £	<u>Plant & Machinery</u> £	<u>Fixtures & Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
COST OR VALUATION					
At 1 September 2009	845,681	3,385,296	613,790	1,429,863	6,274,630
Additions	–	509,434	39,675	177,234	726,343
Disposals	–	(64,962)	(25,725)	(178,284)	(268,971)
At 31 August 2010	845,681	3,829,768	627,740	1,428,813	6,732,002
DEPRECIATION					
At 1 September 2009	210,718	2,202,866	503,057	729,381	3,646,022
Charge for the year	21,603	336,693	34,579	76,914	469,789
On disposals	–	(42,804)	(21,893)	(96,246)	(160,943)
At 31 August 2010	232,321	2,496,755	515,743	710,049	3,954,868
NET BOOK VALUE					
At 31 August 2010	613,360	1,333,013	111,997	718,764	2,777,134
At 31 August 2009	634,963	1,182,430	110,733	700,482	2,628,608

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

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

	2010 £	2009 £
Net book value at end of year	609,981	609,981
Historical cost	484,878	484,878
Depreciation:		
At 1 September 2009	267,516	257,390
Charge for year	10,126	10,126
At 31 August 2010	277,642	267,516
Net historical cost value:		
At 31 August 2010	207,236	217,362
At 1 September 2009	217,362	227,488

Hire purchase agreements

Included within the net book value of £2,777,134 is £742,380 (2009 - £759,501) 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 £206,836 (2009 - £244,181)

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2010

10. TANGIBLE FIXED ASSETS *(continued)*

Company	Leasehold Property £	Motor Vehicles £	Equipment £	Total £
COST OR VALUATION				
At 1 September 2009	784,340	98,823	256,613	1,139,776
Additions	–	91,755	275	92,030
Disposals	–	(50,099)	–	(50,099)
At 31 August 2010	784,340	140,479	256,888	1,181,707
DEPRECIATION				
At 1 September 2009	205,733	37,436	238,627	481,796
Charge for the year	15,687	26,798	8,704	51,189
On disposals	–	(20,107)	–	(20,107)
At 31 August 2010	221,420	44,127	247,331	512,878
NET BOOK VALUE				
At 31 August 2010	562,920	96,352	9,557	668,829
At 31 August 2009	578,607	61,387	17,986	657,980

Hire purchase agreements

Included within the net book value of £668,829 is £96,354 (2009 - £61,389) 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 £22,808 (2009 - £13,973).

11. INVESTMENTS

Company	Group companies £
COST	
At 1 September 2009 and 31 August 2010	119,599
AMOUNTS WRITTEN OFF	
At 1 September 2009	20,000
Written off in year	10,000
At 31 August 2010	30,000
NET BOOK VALUE	
At 31 August 2010	89,599
At 31 August 2009	99,599

RILMAC HOLDINGS LIMITED
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<u>Subsidiary undertakings</u>	<u>Country of incorporation</u>	<u>Holdings</u>	<u>Proportion of voting rights and 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%	Scaffolding hire

12. STOCKS

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Raw materials	188,729	218,746	-	-
Work in progress	1,177,683	569,126	-	-
	<u>1,366,412</u>	<u>787,872</u>	<u>-</u>	<u>-</u>

13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	2,594,834	2,769,638	8,147	8,306
Amounts owed by group undertakings	-	-	3,026,651	2,747,578
Prepayments and accrued income	699,480	448,008	103,184	66,172
	<u>3,294,314</u>	<u>3,217,646</u>	<u>3,137,982</u>	<u>2,822,056</u>

RILMAC HOLDINGS LIMITED
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14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Other loans	–	25,838	–	25,838
Bank loans and overdrafts	1,003,212	878,744	318,089	303,658
Trade creditors	1,163,672	839,130	58,866	41,631
Hire purchase agreements	272,464	312,450	28,019	17,764
Directors' loan accounts	172,321	192,811	172,321	192,811
Other creditors including taxation and social security				
Corporation tax	20,165	34,799	11,319	7,373
Other taxation and social security	485,049	512,349	78,363	107,536
Accruals and deferred income	1,556,049	1,330,224	684,059	570,682
	<u>4,672,932</u>	<u>4,126,345</u>	<u>1,351,036</u>	<u>1,267,293</u>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	1,003,212	904,582	318,089	329,496
Hire purchase agreements	272,464	312,450	28,019	17,764
	<u>1,275,676</u>	<u>1,217,032</u>	<u>346,108</u>	<u>347,260</u>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	–	15,316	–	–
Hire purchase agreements	191,055	221,704	38,224	15,271
	<u>191,055</u>	<u>237,020</u>	<u>38,224</u>	<u>15,271</u>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	–	15,316	–	–
Hire purchase agreements	191,055	221,704	38,224	15,271
	<u>191,055</u>	<u>237,020</u>	<u>38,224</u>	<u>15,271</u>

RILMAC HOLDINGS LIMITED
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16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts payable within 1 year	276,635	312,450	28,019	17,764
Amounts payable between 1 and 2 years	186,884	221,704	38,224	15,271
	<u>463,519</u>	<u>534,154</u>	<u>66,243</u>	<u>33,035</u>

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Provision/Asset brought forward	105,944	103,469	(7,636)	(16,096)
Increase/(Decrease) in provision	53,749	2,475	(1,952)	8,460
Provision/Asset carried forward	<u>159,693</u>	<u>105,944</u>	<u>(9,588)</u>	<u>(7,636)</u>

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

Group	2010		2009	
	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>159,693</u>	-	<u>105,944</u>	-

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

Company	2010		2009	
	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>(9,588)</u>	-	<u>(7,636)</u>	-

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

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2010 the group had annual commitments under non-cancellable operating leases as set out below

<u>Group</u>	<u>Land and buildings</u>	
	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Operating leases which expire		
Within 1 year	14,000	-
Within 2 to 5 years	-	14,000
After more than 5 years	107,590	107,590
	<u>121,590</u>	<u>121,590</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:

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

Allotted, called up and fully paid:

	<u>2010</u>		<u>2009</u>	
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
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.

RILMAC HOLDINGS LIMITED
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24. REVALUATION RESERVE

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Balance brought forward	292,545	297,606	292,545	297,606
Transfer to the Profit and Loss Account on realisation	(5,061)	(5,061)	(5,061)	(5,061)
Balance carried forward	<u>287,484</u>	<u>292,545</u>	<u>287,484</u>	<u>292,545</u>

25. OTHER RESERVES

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Other reserve	1,634	1,634	1,634	1,634
Consolidation reserve	58,717	58,717	-	-
	<u>60,351</u>	<u>60,351</u>	<u>1,634</u>	<u>1,634</u>

26. PROFIT AND LOSS ACCOUNT

	2010	2009
	£	£
Balance brought forward	1,783,654	1,766,614
Profit for the financial year	248,489	11,979
Transfer from revaluation reserve	5,061	5,061
Balance carried forward	<u>2,037,204</u>	<u>1,783,654</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Profit for the financial year	248,489	11,979
Transfer from revaluation reserve	5,061	5,061
Transfer to profit and loss account	(5,061)	(5,061)
Net addition to shareholders' funds	248,489	11,979
Opening shareholders' funds	2,139,650	2,127,671
Closing shareholders' funds	<u>2,388,139</u>	<u>2,139,650</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 FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating profit	392,058	130,213
Interest payable	–	1,409
Depreciation	469,789	560,013
(Profit)/Loss on disposal of fixed assets	(133,339)	17,756
(Increase)/decrease in stocks	(578,540)	180,090
(Increase)/decrease in debtors	(76,668)	687,748
Increase/(decrease) in creditors	502,577	(676,152)
Net cash inflow from operating activities	<u>575,877</u>	<u>901,077</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010	2009
	£	£
Decrease in cash in the period	(134,884)	(2,310)
Net cash outflow from other loans	25,838	25,774
Net cash outflow from bank loans	25,732	14,252
Cash outflow in respect of hire purchase	70,635	205,712
	<u>(12,679)</u>	<u>243,428</u>
Change in net debt	(12,679)	243,428
Net debt at 1 September 2009	(1,454,052)	(1,697,480)
Net debt at 31 August 2010	<u>(1,466,731)</u>	<u>(1,454,052)</u>

RILMAC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2010

29. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2009 £	Cash flows £	At 31 Aug 2010 £
Net cash			
Overdrafts	(653,012)	(134,884)	(787,896)
Debt			
Debt due within 1 year	(251,570)	36,254	(215,316)
Debt due after 1 year	(15,316)	15,316	-
Hire purchase agreements	(534,154)	70,635	(463,519)
	<u>(801,040)</u>	<u>122,205</u>	<u>(678,835)</u>
Net debt	<u>(1,454,052)</u>	<u>(12,679)</u>	<u>(1,466,731)</u>