

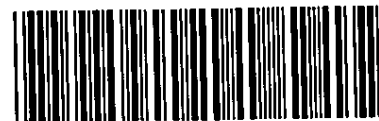
REDGATE HOLDINGS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2007

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REDGATE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J Murphy T A Manley
Secretary	T Frost
Company number	4972149
Registered office	Redgate Lane West Gorton Manchester M12 4RY
Accountants	PKF (UK) LLP Sovereign House Queen Street Manchester M2 5HR

REDGATE HOLDINGS LIMITED

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REDGATE HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2007**

The directors present their report and the financial statements for the year ended 28 February 2007

Principal activities

The principal activity during the year was waste recycling

Directors

The directors who served during the year were

J Murphy
T A Manley

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on 16 JANUARY 2008 and signed on its behalf


T A Manley
Director

REDGATE HOLDINGS LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF REDGATE HOLDINGS LIMITED**

In accordance with the engagement letter dated 12 March 2007, and in order to assist you to fulfil your duties under the Companies Act 1995, we have compiled the financial statements of the company for the year ended 28 February 2007 which comprise the profit and loss account, the balance sheet, the statement of recognised gains and losses and the related notes from the accounting records and information and explanations you have given to us

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of the financial statements.

You have acknowledged on the balance sheet as at your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express an opinion on the financial statements.



PKF (UK) LLP

Manchester, UK

16 January 2008

REDGATE HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2007**

	Note	2007 £	2006 £
TURNOVER	1	1,510,049	1,405,258
Cost of sales		<u>(1,229,822)</u>	<u>(1,170,294)</u>
GROSS PROFIT	2	280,227	234,964
Administrative expenses		<u>(252,701)</u>	<u>(181,758)</u>
OPERATING PROFIT	2	27,526	53,206
Interest receivable		-	35
Interest payable		<u>(69,719)</u>	<u>(50,114)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(42,193)</u>	3,127
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>(42,193)</u></u>	<u><u>3,127</u></u>

The notes on pages 6 to 9 form part of these financial statements

REDGATE HOLDINGS LIMITED

	2007	2006
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(42,193)	3,127
Unrealised surplus on revaluation of tangible fixed assets	365,000	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	322,807	3,127

The notes on pages 6 to 9 form part of these financial statements

REDGATE HOLDINGS LIMITED

**BALANCE SHEET
AS AT 28 FEBRUARY 2007**

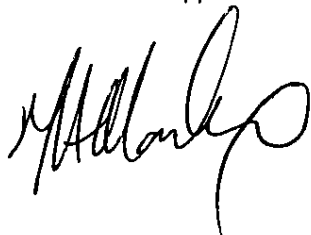
	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Intangible fixed assets	3		84,581		66,750
Tangible fixed assets	4		718,232		-
			802,813		66,750
CURRENT ASSETS					
Debtors	5	80,444		124,202	
Cash at bank		-		27,749	
			80,444	151,951	
CREDITORS amounts falling due within one year	6		(560,971)	(215,571)	
NET CURRENT LIABILITIES			(480,527)		(63,620)
TOTAL ASSETS LESS CURRENT LIABILITIES			322,286		3,130
CAPITAL AND RESERVES					
Called up share capital	7		2		3
Revaluation reserve	8		361,350		-
Profit and loss account	8		(39,066)		3,127
SHAREHOLDERS' FUNDS			322,286		3,130

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 28 February 2007 and of its loss for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

T A Manley
Director



The notes on pages 6 to 9 form part of these financial statements

16/1/08

REDGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Land and Buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Assets are recognised in the financial statements at cost. No amortisation was charged during the year.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. No depreciation was charged during the year.

Freehold Land and Buildings	-	2%	straight line
Leasehold Improvements	-	2%	straight line
Plant & Equipment	-	10%	(10% residual) straight line over 7 years

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective January 2005) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 1 January 2007 and will not update that valuation.

2. OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Amortisation - intangible fixed assets	2,169	-
Depreciation of tangible fixed assets - owned by the company	25,268	-

During the year, no director received any emoluments (2006 - £NIL)

REDGATE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2007

3 INTANGIBLE FIXED ASSETS

	Acquisition & advisory fees £	Goodwill £	Total £
Cost			
At 1 March 2006	66,750	-	66,750
Additions	-	20,000	20,000
At 28 February 2007	66,750	20,000	86,750
Amortisation			
At 1 March 2006	-	-	-
Charge for the year	1,669	500	2,169
At 28 February 2007	1,669	500	2,169
Net book value			
At 28 February 2007	65,081	19,500	84,581
At 28 February 2006	66,750	-	66,750

4 TANGIBLE FIXED ASSETS

	Land and buildings £	Leasehold Improvements £	Plant & Equipment £	Total £
Cost or valuation				
Additions	10,000	40,000	328,500	378,500
Revaluation surplus/(deficit)	365,000	-	-	365,000
At 28 February 2007	375,000	40,000	328,500	743,500
Depreciation				
Charge for the year	3,750	400	21,118	25,268
At 28 February 2007	3,750	400	21,118	25,268
Net book value				
At 28 February 2007	371,250	39,600	307,382	718,232
At 28 February 2006	-	-	-	-

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

REDGATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2007**

Cost or valuation at 28 February 2007 is as follows

	Land and buildings £
At cost	375,000
	-
	375,000
	375,000

The land and buildings were revalued on 1 January 2007 by management on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2007 £	2006 £
Cost	375,000	10,000
Accumulated depreciation	(3,750)	-
Net book value	371,250	10,000

5 DEBTORS

	2007 £	2006 £
Due after more than one year		
Other debtors	56,000	-
Due within one year		
Trade debtors	24,442	43,584
Deposit on trade acquisition	-	53,550
Prepayments and accrued income	-	27,066
Other debtors	2	2
	80,444	124,202

6 CREDITORS.

Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	390,823	-
Net obligations under finance leases and hire purchase contracts	15,849	-
Trade creditors	41,013	52,882
Social security and other taxes	112,786	113,686
Other creditors	500	49,003
	560,971	215,571

REDGATE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2007**

7. SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>3</u>

8 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 March 2006	-	3,127
Loss for the year		(42,193)
Surplus on revaluation of freehold property	<u>361,350</u>	
At 28 February 2007	<u><u>361,350</u></u>	<u><u>(39,066)</u></u>

9. TRANSACTIONS WITH DIRECTORS

Included within year end creditor balances is an amount of **£500** (2006 £500) owed to T A Manley, a director of the company

The directors' interest in the ordinary £1 share capital during the year was

	2007 £	2006 £
J Murphy	1	1
T A Manley	1	1

REDGATE HOLDINGS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

	Page	2007 £	2006 £
TURNOVER	11	1,510,049	1,405,258
Cost of sales	11	(1,229,822)	(1,170,294)
		<hr/>	<hr/>
GROSS PROFIT		280,227	234,964
Gross profit %		18.6 %	16.7 %
LESS OVERHEADS			
Administration expenses	11	(252,701)	(181,758)
		<hr/>	<hr/>
OPERATING PROFIT		27,526	53,206
Interest receivable	11	-	35
Interest payable	12	(69,719)	(50,114)
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE YEAR		<u>(42,193)</u>	<u>3,127</u>

REDGATE HOLDINGS LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2007**

	2007 £	2006 £
TURNOVER		
Sales - UK	<u>1,510,049</u>	<u>1,405,258</u>
	2007 £	2006 £
COST OF SALES		
Wages and salaries	265,960	198,706
National insurance	113,233	118,005
Carriage and import duty	-	14,482
Operating leases - plant and equipment	194,551	167,463
Tipping	549,764	462,266
Service charges/License fee	106,314	209,372
	<u>1,229,822</u>	<u>1,170,294</u>
	2007 £	2006 £
ADMINISTRATION EXPENSES		
Staff training	520	-
Motor running costs	102,581	102,573
Printing and stationery	6,770	2,335
Telephone and fax	3,908	2,751
Legal and professional	18,759	13,819
Auditors' remuneration - non-audit	4,920	22,000
Rent - non-operating leases	11,666	-
Insurances	23,277	-
Repairs and maintenance	55,130	34,484
Sundry establishment expenses	1,383	3,796
Depreciation - plant and machinery	23,787	-
	<u>252,701</u>	<u>181,758</u>
	2007 £	2006 £
INTEREST RECEIVABLE		
Bank interest receivable	<u>-</u>	<u>35</u>

REDGATE HOLDINGS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2007

	2007 £	2006 £
INTEREST PAYABLE		
Bank overdraft interest payable	12,808	752
Hire purchase interest payable	43,383	45,493
Finance lease charges payable	13,528	3,869
	<u>69,719</u>	<u>50,114</u>