

**Company number:
03290431**

**BALLAST PHOENIX LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

**MOORE STEPHENS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
RUTLAND HOUSE
MINERVA BUSINESS PARK
LYNCH WOOD
PETERBOROUGH
CAMBRIDGESHIRE
PE2 6PZ**

FRIDAY



A2GCXKVV

A38

06/09/2013

#320

COMPANIES HOUSE

BALLAST PHOENIX LIMITED

COMPANY INFORMATION

Company number: 03290431

Directors: D M York
A C G Van Beurden
R Malizia (resigned 1 March 2012)
P C L Knight (appointed 1 March 2012)
H P van der Meer (appointed 1 March 2012)
L B van Rietschoten (appointed 1 March 2012)

Registered office. Victoria Stables
South Road
Bourne
Lincolnshire
PE10 9JZ

Statutory auditors: Moore Stephens
Chartered Accountants
Statutory Auditors
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
Cambridgeshire
PE2 6PZ

Bankers: HSBC
3 North Street
Bourne
PE10 9AE

Solicitors: Hegarty & Co
48 Broadway
Peterborough
PE1 1YW

BALLAST PHOENIX LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

CONTENTS

	Page
Directors' report	1
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes	9

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company is the processing and marketing of incinerator bottom ash (IBA) to recover and produce aggregate thus avoiding land filling of IBA

There has not been any significant change in this activity during the year

Review of business

2012 followed a downward trend from 2011 in terms of poor construction market conditions as well as the difficulties faced in the global economy. The UK market continues to decline in terms of construction projects and it is unlikely we will see this change for the next few years.

The sale of aggregates will continue to face difficulties for us over the medium term and we have seen a continual decline in the selling price of the material over the course of the year.

Year-end stocks, on the back of poor sales, were higher than intended whilst metals prices remain to be relatively consistent over the duration of the year.

Our site at Tilbury Docks completed its full year of operations during 2012 and we expect to see a marginal reduction in volume over 2013 onwards.

Further improvements and upgrades were seen at our sites over 2012 and will continue over 2013 in line with the business strategy set out by the Board of Directors.

The existing site exemptions afforded by the regulator have now been fully removed and replaced with individual Environmental Permits for all of our sites. This was completed and carried out in conjunction with the regulator over the course of 2011 and 2012.

Future developments

Development projects are being undertaken in London and Teesside, to accommodate further increase of materials as well as streamline the operations process. This will lead to an increase in workforce as well as longer term agreements with our clients for these facilities.

Research and Development continues to allow the expansion and growth of our business, allowing new opportunities to be afforded in new sectors of the industry. We remain focused on ensuring that the projects identified for 2013 and 2014 are expedited to allow for the growth of our sales whilst realising market value.

Results and dividends

The profit for the year amounted to £3,439,734 which has been transferred to reserves. Dividends of £4,000,000 were paid during the year, which included £2,000,000 in respect of the results of 2011.

The results for the year are set out on page 6. Whilst the profit generated was pleasing, the directors have noted the need to keep pressure on the basics of good cost control and an effective and strategically balanced sales process.

In accordance with FRS 21 – Events After the Balance Sheet Date, final dividends are only provided if they have been declared before the balance sheet date.

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Financial risk management objectives and policies

The company uses various financial instruments which include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage such risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company policy throughout the year has been to manage this risk through the day to day involvement of management in business decisions other than through setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through retained profits and finance lease agreements.

The balance sheet includes trade debtors and creditors which do not attract interest.

The company policy throughout the year has been to manage this risk through the day to day involvement of management in business decisions.

Financial instruments

The company does not actively use financial information as part of its risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Donations

Political and charitable donations did not exceed £2,000 in the year.

Directors

The directors who served during the year were as follows:

D M York
A C G Van Beurden
R Malizia (resigned 1 March 2012)
P C L Knight (appointed 1 March 2012)
H P van der Meer (appointed 1 March 2012)
L B van Rietschoten (appointed 1 March 2012)

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Responsibilities of the directors

The directors are responsible for preparing the annual 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 law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 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 disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

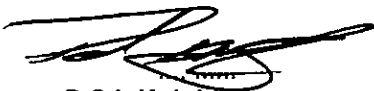
In the case of each of the persons who are directors at the time when the directors report is approved

- so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Moore Stephens, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the board



P C L Knight
Director

27/3/13

Victoria Stables
South Road
Bourne
Lincolnshire
PE10 9JZ

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BALLAST PHOENIX LIMITED

We have audited the financial statements of Ballast Phoenix Limited for the year ended 31 December 2012 on pages 6 to 21. 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 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 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 directors' responsibilities statement (set out in the directors' report), 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 (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 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 directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLAST PHOENIX LIMITED

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, or returns adequate for audit have not been received from branches not visited by us, or
- the 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

Andrew Hancock FCCA

Senior Statutory Auditor

For and on behalf of Moore Stephens

Chartered Accountants

Statutory Auditors

Rutland House

Minerva Business Park

Lynch Wood

Peterborough

Cambridgeshire

PE2 6PZ

Dated 2 April 2013

BALLAST PHOENIX LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Turnover	2	17,228,351	14,945,896
Cost of sales		(11,147,499)	(9,334,334)
Gross profit		<u>6,080,852</u>	<u>5,611,562</u>
Administrative expenses		(1,405,292)	(1,155,774)
Operating profit	3	<u>4,675,560</u>	<u>4,455,788</u>
Other interest receivable and similar income		1,757	1,213
Interest payable	6	(150,808)	(144,614)
Profit on ordinary activities before taxation		<u>4,526,509</u>	<u>4,312,387</u>
Tax on profit on ordinary activities	7	(1,086,775)	(1,181,099)
Profit for the year		<u><u>3,439,734</u></u>	<u><u>3,131,288</u></u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2012 therefore turnover and operating profit derive entirely from continued operations

The company has no recognised gains or losses other than the profit for the financial year

The annexed notes form part of these financial statements

COMPANY NUMBER: 03290431

BALLAST PHOENIX LIMITED

BALANCE SHEET

AT 31 DECEMBER 2012

	Note	2012	2011
		£	£
Fixed assets			
Tangible assets	8	5,219,239	5,620,661
Current assets			
Stocks	9	161,791	201,305
Debtors	10	4,463,763	3,652,296
Cash at bank and in hand		268,587	1,679,589
		<u>4,894,141</u>	<u>5,533,190</u>
Creditors			
Amounts falling due within one year	11	(4,783,334)	(4,542,290)
Net current assets		<u>110,807</u>	<u>990,900</u>
Total assets less current liabilities		<u>5,330,046</u>	<u>6,611,561</u>
Creditors			
Amounts falling due after more than one year	12	(1,669,561)	(2,503,068)
Provisions for liabilities	13	(437,779)	(325,521)
Net assets		<u>3,222,706</u>	<u>3,782,972</u>
Capital and reserves			
Called up share capital	14	302,500	302,500
Other reserves	15	1,129,189	1,129,189
Profit and loss account	16	1,791,017	2,351,283
Shareholders' funds	17	<u>3,222,706</u>	<u>3,782,972</u>

Approved by the board of directors on 27/3/13 and signed on its behalf



P C L Knight
Director

The annexed notes form part of these financial statements

BALLAST PHOENIX LIMITED
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	18	5,390,520	4,755,793
Returns on investments and servicing of finance	19	(149,051)	(143,401)
Taxation		(1,237,253)	(809,567)
Capital expenditure	19	(603,717)	(2,807,842)
Equity dividends paid		(4,000,000)	(1,000,000)
		<u>(599,501)</u>	<u>(5,017)</u>
Financing	19	(811,501)	960,218
(Decrease)/Increase in cash		<u><u>(1,411,002)</u></u>	<u><u>955,201</u></u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

These financial statements have been prepared in accordance with applicable accounting standards

Turnover

Turnover represents income receivable from the processing and marketing of incinerator bottom ash in the period, exclusive of Value Added Tax and trade discounts

One of the company's income streams is the receipt of a tonnage fee from incinerator operators for taking IBA from them and thereby reducing their landfill burden. Owing to the nature and location of each site, some contracts provide for this fee to be paid on collection or delivery of the IBA to our processing site, whereas others provide for payment when the processed material leaves the site. The directors believe the most appropriate accounting policy is that revenue is recognised in accordance with the contractual position.

Depreciation of fixed assets

Depreciation has been computed to write off the cost of fixed assets over their expected useful lives on a monthly basis at the following rates -

Plant and operating facilities	5-10% straight line
Fixtures and fittings	33 33% per annum straight line

Stocks

Stocks and work in progress are valued consistently at the lower of cost (on a first in, first out basis) and net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.

Pre contract costs

UITF 34 (Pre Contract Costs) requires pre contract costs to be expensed as incurred. Costs, directly attributable to a specific contract, will be recognised as an asset where it is virtually certain that the contract is expected to result in future profits.

Debtors

Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full.

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Deferred taxation

Deferred tax assets and liabilities have arisen from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. In accordance with Financial Reporting Standard No 19, full provision is made for all liabilities, and provision is made for assets to the extent that they are considered more likely than not to be recoverable in the foreseeable future. Provision is made using tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based upon rates enacted at the balance sheet date.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit, which is five years.

Foreign exchange

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating profit.

Leasing

Leasing rentals payable on agreements which transfer substantially all the risk and rewards associated with ownership of the lessee ("finance leases") are capitalised within fixed assets, and the obligation to pay future rentals included in creditors as a liability. The interest charges implicit in such a lease are written off to the profit and loss account in proportion to the balance outstanding during the year.

All other leasing rentals ("operating leases") are written off to the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to the profit and loss account as they fall due.

Dividends

In accordance with FRS 21 – Events After the Balance Sheet Date, final dividends are only provided if they have been declared before the balance sheet date.

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

2 Turnover

Turnover is attributable solely to continuing operations

The directors consider that all turnover arises from one geographical segment as defined by SSAP 25. The segment is the geographical area in which the company operates

	2012 £	2011 £
The analysis of turnover by area is as follows		
United Kingdom and Eire	17,228,351	14,945,896
	<u>17,228,351</u>	<u>14,945,896</u>

3 Operating profit

This is stated after charging

	2012 £	2011 £
Directors' emoluments	191,048	98,882
Company contributions to money purchase scheme in respect of directors' pensions	3,333	-
Total directors' emoluments	<u>194,381</u>	<u>98,882</u>
Auditors' remuneration - audit	11,600	11,800
- other non-audit services	4,850	3,035
Depreciation of owned assets	551,346	151,110
Depreciation of assets held under finance leases and hire purchase contracts	453,793	496,248
Pension costs	42,484	34,094
Hire of plant and machinery - operating leases	979,760	757,171
- other	207,837	202,614
	<u><u> </u></u>	<u><u> </u></u>

4 Directors' emoluments

	2012 £	2011 £
Directors' emoluments	191,048	98,882
Company contributions to money purchase schemes in relation to directors' pensions	3,333	-
	<u><u> </u></u>	<u><u> </u></u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

5 Staff costs

The average number of persons employed by the company, including directors, during the year was as follows

	2012	2011
Management, including directors	17	15
Operational	45	41
Administration	7	6
	<u>69</u>	<u>62</u>

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	2,479,423	2,123,300
Social security	292,659	222,759
Other pension costs	42,484	34,094
	<u>2,814,566</u>	<u>2,380,153</u>

6 Interest payable

	2012 £	2011 £
Hire purchase interest	<u>150,808</u>	<u>144,614</u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

7 Taxation on profit on ordinary activities

	2012	2011
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	1,117,269	1,072,007
Adjustments in respect of previous period - group loss relief	-	(45,101)
- other	-	(3,163)
Payment to group companies for losses claimed	-	45,101
	<u>1,117,269</u>	<u>1,068,844</u>
Deferred tax.		
Origination and reversal of timing differences	(30,494)	112,255
	<u>1,086,775</u>	<u>1,181,099</u>

Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	4,526,509	4,312,387
	<u>4,526,509</u>	<u>4,312,387</u>
Standard UK corporation tax rate	24.00 %	26.00 %
Profit/(loss) on ordinary activities multiplied by standard UK corporation tax rate	1,086,362	1,121,221
Effects of		
Expenses not deductible for tax purposes	72,423	50,893
Capital allowances in excess of depreciation	(30,494)	(118,900)
Adjustments for prior periods	-	(3,163)
Other differences	(11,022)	18,793
	<u>1,117,269</u>	<u>1,068,844</u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
Cost				
At 1 January 2012	8,809,290	110,443	-	8,919,733
Additions	176,705	13,483	413,529	603,717
	<u>8,985,995</u>	<u>123,926</u>	<u>413,529</u>	<u>9,523,450</u>
At 31 December 2012				
Depreciation				
At 1 January 2012	3,205,743	93,329	-	3,299,072
Charge for the year	992,351	12,788	-	1,005,139
	<u>4,198,094</u>	<u>106,117</u>	<u>-</u>	<u>4,304,211</u>
At 31 December 2012				
Net book value				
At 31 December 2012	<u>4,787,901</u>	<u>17,809</u>	<u>413,529</u>	<u>5,219,239</u>
	<u>5,603,547</u>	<u>17,114</u>	<u>-</u>	<u>5,620,661</u>
At 31 December 2011				

The net book value of assets held under hire purchase and finance lease contracts is analysed as follows

	2012 £	2011 £
Plant and Machinery	2,987,884	3,441,666
	<u>2,987,884</u>	<u>3,441,666</u>

9 Stocks

	2012 £	2011 £
Finished goods	161,791	201,305
	<u>161,791</u>	<u>201,305</u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

10 Debtors

	2012	2011
	£	£
Due within one year		
Trade debtors	2,999,550	2,161,036
Amounts owed by group undertakings	1,001,250	1,075,000
Other debtors	-	16,876
Prepayments and accrued income	462,963	399,384
	<u>4,463,763</u>	<u>3,652,296</u>
	<u><u>4,463,763</u></u>	<u><u>3,652,296</u></u>

11 Creditors - amounts falling due within one year

	2012	2011
	£	£
Trade creditors	1,928,032	1,881,924
Amounts owed to group undertakings	67,705	60,870
Corporation tax	606,923	726,907
Other taxes and social security	613,549	482,773
Obligations under finance leases and hire purchase contracts	834,933	812,927
Accruals and deferred income	732,192	576,889
	<u>4,783,334</u>	<u>4,542,290</u>
	<u><u>4,783,334</u></u>	<u><u>4,542,290</u></u>

Finance lease and hire purchase creditors are secured on the assets concerned

Of the creditors falling due within one year £834,933 (2011 £812,927) is secured

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

12 Creditors - amounts falling due after more than one year

	2012 £	2011 £
Obligations under finance leases and hire purchase contracts	1,669,561	2,503,068
	<u>1,669,561</u>	<u>2,503,068</u>

Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows

	2012 £	2011 £
Amounts payable		
Within one year	834,933	812,927
Between one and two years	1,019,142	834,396
Between two and five years	650,419	1,668,672
	<u>2,504,494</u>	<u>3,315,995</u>

Finance lease and hire purchase creditors are secured on the assets concerned

Of the creditors falling due after more than one year £1,669,561 (2011 £2,503,068) is secured

13 Provisions for liabilities

	Deferred taxation £	Other provisions £	Total £
Balance at 1 January 2012	325,521	-	325,521
(Utilised)/Charged for the year in profit and loss account	(30,494)	142,752	112,258
	<u>295,027</u>	<u>142,752</u>	<u>437,779</u>

The deferred tax provision arises as follows

	Provided 2012 £	2011 £	Maximum potential liability 2012 £	2011 £
Accelerated capital allowances	295,027	325,521	295,027	325,521
	<u>295,027</u>	<u>325,521</u>	<u>295,027</u>	<u>325,521</u>

Other provisions relate to contracted losses

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

14 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	302,500	302,500
	<u>302,500</u>	<u>302,500</u>

15 Capital redemption reserve

	2012
	£
Balance at 1 January 2012 and 31 December 2012	1,129,189
	<u>1,129,189</u>

16 Profit and loss account

	2012
	£
Balance at 1 January 2012	2,351,283
Profit for the year	3,439,734
Dividends - relating to 2011	(2,000,000)
- relating to 2012	(2,000,000)
Balance at 31 December 2012	<u>1,791,017</u>

17 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	3,439,734	3,131,288
Dividends - relating to 2011	(2,000,000)	(1,000,000)
- relating to 2012	(2,000,000)	-
	<u>(560,266)</u>	<u>2,131,288</u>
Shareholders' funds at 1 January 2012	3,782,972	1,651,684
Shareholders' funds at 31 December 2012	<u>3,222,706</u>	<u>3,782,972</u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

**18 Reconciliation of operating profit
to net cash inflow from operating activities**

	2012 £	2011 £
Operating profit	4,675,560	4,455,788
Depreciation charges	1,005,139	647,358
Decrease in stocks	39,514	115,586
Increase in debtors	(811,467)	(940,772)
Increase in creditors	339,022	477,833
Increase in provisions	142,752	-
	<u>5,390,520</u>	<u>4,542,290</u>
Net cash flow from operating activities	<u><u>5,390,520</u></u>	<u><u>4,542,290</u></u>

19 Gross cash flows

	2012 £	2012 £	2011 £
Returns on investments and servicing of finance			
Interest received	1,757		1,213
Interest paid	(150,808)		(144,614)
	<u> </u>	(149,051)	<u>(143,401)</u>
		<u><u> </u></u>	<u><u> </u></u>
Capital expenditure			
Payments to acquire tangible fixed assets	(603,717)		(2,807,842)
	<u> </u>	(603,717)	<u>(2,807,842)</u>
		<u><u> </u></u>	<u><u> </u></u>
Financing			
Capital element of finance lease rental repayments	(811,501)		1,321,029
	<u> </u>	(811,501)	<u>1,321,029</u>
		<u><u> </u></u>	<u><u> </u></u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

20 Reconciliation of net cash flow to movement in net debt

	2012 £	2012 £	2011 £
(Decrease)/Increase in cash in the year	(1,411,002)		955,201
Cash outflow from decrease in debt and lease financing	811,501		(1,321,029)
	<u> </u>		<u> </u>
Change in net debt resulting from cash flows		(599,501)	(365,828)
		<u> </u>	<u> </u>
Movement in net debt in the year		(599,501)	(365,828)
Net debt at 1 January 2012		(1,636,406)	(1,270,578)
		<u> </u>	<u> </u>
Net debt at 31 December 2012		(2,235,907)	(1,636,406)
		<u> </u>	<u> </u>

21 Analysis of net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Net cash:				
Cash at bank and in hand	1,679,589	(1,411,002)	-	268,587
Debts due within one year:				
Finance leases	(812,927)	812,927	(834,933)	(834,933)
Debts due after one year:				
Finance leases	(2,503,068)	(1,426)	834,933	(1,669,561)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net debt	(1,636,406)	(599,501)	-	(2,235,907)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

22 Leasing commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as detailed below

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	19,500	24,833	19,500	6,571
Between 1 to 2 years	-	43,198	-	-
Between 2 to 5 years	-	-	-	68,031
After 5 years	160,106	-	160,106	-
	<u>179,606</u>	<u>68,031</u>	<u>179,606</u>	<u>74,602</u>

23 Pension costs

The company operates a defined contribution pension scheme in respect of employees (not directors). The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £42,484 (2011 £34,094)

24 Related party transactions

The company has taken advantage of the exemption available under FRS 8 from the disclosures relating to transactions with other group companies

At the year end an amount of £67,705 (2011 £18,932) was due to Feniks Recycling and £1,001,250 (2011 £1,075,000) due from Feniks Recycling

The following amounts were also due to group companies in respect of payment for group loss relief

	2012 £	2011 £
Ballast Nedam Environmental Engineering Limited	-	41,938

Feniks Recycling have also given a guarantee in respect of the company's finance lease obligations

BALLAST PHOENIX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

25 Transactions with directors and officers

The premises from which the head office operates are owned by D M York, a director

The rent paid in the year was £19,500 (2011 £19,500) There was no balance outstanding at the year end The annual lease commitment is £19,500 (2011 £19,500)

26 Ultimate holding company

The immediate parent undertaking is Recycling Maatschappij "Feniks" BV, trading as Feniks Recycling Feniks Recycling own 92.5% of the allotted ordinary share capital of the company

The ultimate parent undertaking is Ballast Nedam NV, company number 33201106, registered in the Netherlands Group accounts can be obtained from www.ballast-nedam.nl

27 Ultimate controlling party

In the opinion of the directors there is no ultimate controlling party