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**THE DERITEND GROUP LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2010**



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**THE DERITEND GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	R K Hale S Smith
<b>COMPANY SECRETARY</b>	S Smith
<b>COMPANY NUMBER</b>	04140677
<b>REGISTERED OFFICE</b>	Cyprus Street Off Upper Villiers Street West Midlands WV2 4PB

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**THE DERITEND GROUP LIMITED**

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## THE DERITEND GROUP LIMITED

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### DIRECTORS' REPORT For the Year Ended 31 December 2010

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The directors present their report and the financial statements for the year ended 31 December 2010

#### STATEMENT OF 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 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

#### PRINCIPAL ACTIVITIES

The aim of The Deritend Group Limited is to provide its industrial client base with effectively maintained plant and equipment.

The company provides a broad spectrum of maintenance services to a range of industry sectors including water, power and food and beverage.

Operating through a national branch network the company aims to improve plant maintenance, increase efficiency and reduce costs for its customers.

In addition the company has a specialist repair business in the process heating market and also manufactures high voltage generator coils.

#### BUSINESS REVIEW

Despite continued tough trading in 2010 Deritend maintained its strategic development, notably in the water industry where a number of new contracts have provided the company with a platform for profitable growth over the next few years.

The directors are pleased to announce the company did manage to achieve a small operating profit of £0.4m which was almost double the result achieved in 2009.

The business saw an improved order book and won some new contracts towards the end of the year which has led to improved levels of trading in the early part of 2011.

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**THE DERITEND GROUP LIMITED**

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**DIRECTORS' REPORT**  
**For the Year Ended 31 December 2010**

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**RESULTS**

The loss for the year, after taxation, amounted to £388 thousand (2009 - loss £354 thousand)

**DIRECTORS**

The directors who served during the year were

R K Hale  
S Smith

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

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

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Clement Keys will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 28 June 2011 and signed on its behalf



**S Smith**  
Director

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## THE DERITEND GROUP LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE DERITEND GROUP LIMITED

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We have audited the financial statements of The Deritend Group Limited for the year ended 31 December 2010, set out on pages 5 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 Auditors' 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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.

#### OPINION ON 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 2010 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.

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THE DERITEND GROUP LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE DERITEND GROUP LIMITED

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**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 our 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



Ross Cocker ACA (Senior statutory auditor)

for and on behalf of  
**Clement Keys**

Chartered Accountants  
Statutory Auditors

39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

28 June 2011

**THE DERITEND GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT**  
For the Year Ended 31 December 2010

	Note	2010 £000	2009 £000
<b>TURNOVER</b>	1,2	<b>18,947</b>	<b>20,729</b>
Cost of sales		<u>(12,320)</u>	<u>(13,561)</u>
<b>GROSS PROFIT</b>		<b>6,627</b>	<b>7,168</b>
Administrative expenses		<u>(6,218)</u>	<u>(6,961)</u>
<b>OPERATING PROFIT</b>	3	<b>409</b>	<b>207</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	8	<u>(342)</u>	<u>(343)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>67</b>	<b>(136)</b>
Interest payable and similar charges	7	<u>(485)</u>	<u>(329)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(418)</b>	<b>(465)</b>
Tax on loss on ordinary activities	9	<u>30</u>	<u>111</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	19	<u><b>(388)</b></u>	<u><b>(354)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account

The notes on pages 9 to 21 form part of these financial statements

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THE DERITEND GROUP LIMITED

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NOTE OF HISTORICAL COST PROFITS AND LOSSES  
For the Year Ended 31 December 2010

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	2010 £000	2009 £000
<b>REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(418)</b>	<b>(465)</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	48	20
Realisation of valuation gains of previous periods	219	-
<b>HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(151)</b>	<b>(445)</b>
<b>HISTORICAL LOSS FOR THE YEAR AFTER TAXATION</b>	<b>(121)</b>	<b>(334)</b>

The notes on pages 9 to 21 form part of these financial statements

**THE DERITEND GROUP LIMITED**  
Registered number. 04140677

**BALANCE SHEET**  
As at 31 December 2010

	Note	£000	2010 £000	£000	2009 £000
<b>FIXED ASSETS</b>					
Development costs, licences and trademarks		2		-	
Goodwill		1,783		1,898	
Negative goodwill		(28)		(100)	
Net goodwill		1,755		1,798	
Intangible assets	10		1,757		1,798
Tangible assets	11		3,055		3,826
Investments	12		1		1
			4,813		5,625
<b>CURRENT ASSETS</b>					
Stocks	13	2,223		2,183	
Debtors	14	3,780		3,486	
Cash at bank and in hand		237		56	
		6,240		5,725	
<b>CREDITORS. amounts falling due within one year</b>	15	(5,184)		(6,140)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			1,056		(415)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,869		5,210
<b>CREDITORS. amounts falling due after more than one year</b>	16		(3,237)		(1,942)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17		-		(29)
<b>NET ASSETS</b>			2,632		3,239
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		250		250
Revaluation reserve	19		855		1,122
Profit and loss account	19		1,527		1,867
<b>SHAREHOLDERS' FUNDS</b>	20		2,632		3,239

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THE DERITEND GROUP LIMITED

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BALANCE SHEET (continued)  
As at 31 December 2010

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2011



R K Hale  
Director

The notes on pages 9 to 21 form part of these financial statements

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2010

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#### 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 freehold buildings and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 TURNOVER

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

##### 1.4 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.

Development costs relate to costs incurred in the development and 3D modelling of new gearbox design. It is the opinion of the directors that this project is commercially viable, there are adequate resources available to complete it and it is expected that the project will provide future benefits to the company.

This project costs incurred will be amortised over the useful economic life.

Amortisation of goodwill is provided at the following rates:

Development expenditure	-	20% straight line
Positive goodwill	-	5% or 10% straight line
Negative goodwill	-	8-33% straight line

##### 1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long term leasehold property	-	over the period of the lease
Plant and machinery	-	10 - 50% straight line

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2010

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account.

##### 1.7 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.8 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.9 OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.10 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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## THE DERITEND GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2010

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.12 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

##### 1.13 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

#### 2. TURNOVER

A geographical analysis of turnover is as follows

	2010 £000	2009 £000
United Kingdom	17,743	19,281
Rest of European Union	425	563
Rest of world	779	885
	<u>18,947</u>	<u>20,729</u>

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

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**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2010 £000	2009 £000
Amortisation - intangible fixed assets	43	43
Depreciation of tangible fixed assets		
- owned by the company	234	277
- held under finance leases	13	19
Operating lease rentals		
- plant and machinery	375	415
- other operating leases	262	280
Difference on foreign exchange	(2)	7
	<u>          </u>	<u>          </u>

**4. AUDITORS' REMUNERATION**

	2010 £000	2009 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	18	19
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	10	3
All other services relating to general advice	-	2
	<u>          </u>	<u>          </u>

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2010 £000	2009 £000
Wages and salaries	6,265	6,936
Social security costs	635	698
Other pension costs	239	273
	<u>          </u>	<u>          </u>
	<u>7,139</u>	<u>7,907</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No.
Works	168	193
Administration	77	78
	<u>          </u>	<u>          </u>
	<u>245</u>	<u>271</u>

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

**6. DIRECTORS' REMUNERATION**

	2010 £000	2009 £000
Emoluments	235	238
Company pension contributions to defined contribution pension schemes	31	33

During the year retirement benefits were accruing to 2 directors (2009 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £131,464 (2009 - £169,443)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,597 (2009 - £17,597)

**7 INTEREST PAYABLE**

	2010 £000	2009 £000
On bank loans and overdrafts	392	227
On other loans	88	87
On finance leases and hire purchase contracts	5	15
	485	329

**8. EXCEPTIONAL ITEMS**

	2010 £000	2009 £000
Compensation for loss of office	-	50
Staff costs - redundancy payments	111	200
Professional fees in respect of business advice	57	-
Professional fees in respect of refinancing	149	54
Share transfer costs	-	12
Costs to RMB vendors	-	27
Fees in respect of property disposal	25	-
	342	343

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

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**9. TAXATION**

	2010 £000	2009 £000
<b>ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
Adjustments in respect of prior periods	-	(101)
	<hr/>	<hr/>
<b>DEFERRED TAX</b> (see note 17)		
Origination and reversal of timing differences	(30)	(10)
	<hr/>	<hr/>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(30)</u>	<u>(111)</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £000	2009 £000
Loss on ordinary activities before tax	(418)	(465)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(117)	(140)

**EFFECTS OF.**

Non-tax deductible amortisation of goodwill and impairment	(17)	26
Depreciation for period in excess of capital allowances	8	28
Loss carry back to previous year	-	86
Over provision in previous year	-	(101)
Other timing differences	130	-
Capital losses carried forward	(4)	-
	<hr/>	<hr/>

**CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR** (see note above)

-	(101)
<hr/>	<hr/>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 28% to 23% by 1 April 2014. The first reduction in the UK corporation tax rate from 28% to 26% is effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liabilities accordingly.

THE DERITEND GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 December 2010

10. INTANGIBLE FIXED ASSETS

	Develop- ment £000	Goodwill £000	Negative goodwill £000	Total £000
<b>COST</b>				
At 1 January 2010	-	2,207	(865)	1,342
Additions	2	-	-	2
At 31 December 2010	2	2,207	(865)	1,344
<b>AMORTISATION</b>				
At 1 January 2010	-	309	(765)	(456)
Charge for the year	-	115	(72)	43
At 31 December 2010	-	424	(837)	(413)
<b>NET BOOK VALUE</b>				
At 31 December 2010	2	1,783	(28)	1,757
At 31 December 2009	-	1,898	(100)	1,798

11. TANGIBLE FIXED ASSETS

	Freehold property £000	Long Term Leasehold Property £000	Plant and machinery £000	Total £000
<b>COST OR VALUATION</b>				
At 1 January 2010	3,173	191	2,630	5,994
Additions	-	139	72	211
Disposals	(750)	-	(35)	(785)
At 31 December 2010	2,423	330	2,667	5,420
<b>DEPRECIATION</b>				
At 1 January 2010	118	27	2,023	2,168
Charge for the year	36	19	198	253
On disposals	(35)	-	(21)	(56)
At 31 December 2010	119	46	2,200	2,365
<b>NET BOOK VALUE</b>				
At 31 December 2010	2,304	284	467	3,055
At 31 December 2009	3,055	164	607	3,826

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

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**11. TANGIBLE FIXED ASSETS (continued)**

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

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Plant and machinery and motor vehicles	<b>27</b>	<b>64</b>

Cost or valuation at 31 December 2010 is as follows

	<b>Land and buildings £000</b>
<b>AT COST</b>	<b>1,915</b>
<b>AT VALUATION.</b>	
31 January 2007	<b>838</b>
	<b>2,753</b>

The freehold land and buildings were revalued on 31 January 2007 by Bache Treharne, external valuer, on an open market existing use basis. During the period the Directors have undertaken an internal review of the freehold land and buildings valuation and do not consider the current value to vary from that held in the accounts.

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

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Cost	<b>1,587</b>	<b>2,197</b>
Accumulated depreciation	<b>(268)</b>	<b>(267)</b>
Net book value	<b>1,319</b>	<b>1,930</b>

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

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**12 FIXED ASSET INVESTMENTS**

Fixed Asset Investments consist of £100 in RMB Engineering Services Limited and £600 in Lloyds TSB Plc

	Listed investments £000
<b>COST OR VALUATION</b>	
At 1 January 2010 and 31 December 2010	1
<b>NET BOOK VALUE</b>	
At 31 December 2010	1
At 31 December 2009	1

**LISTED INVESTMENTS**

The market value of the listed investments at 31 December 2010 was £648 (2009 - £303)

The company owned 1 ordinary share of £1 in the following subsidiaries at 31 December 2010 with the exceptions of R M B Engineering Services Limited (25,000 £1 ordinary shares held) and R M B Teesside Limited (100 ordinary £1 shares held)

Name of company	Class of share	Holding	Business
Deritend Electro-Mechanical Services Limited	Ordinary	100%	Dormant
Dertend Limited	Ordinary	100%	Dormant
Dertend Maintenance Limited	Ordinary	100%	Dormant
Dertend Induction Services Limited	Ordinary	100%	Dormant
Preformed Windings Company Limited	Ordinary	100%	Dormant
RMB Engineering Services Limited	Ordinary	100%	Dormant
RMB (Teesside) Limited	Ordinary	100% (indirect)	Dormant

All of the above subsidiary undertakings were incorporated in Great Britain

**13. STOCKS**

	2010 £000	2009 £000
Raw materials	79	41
Work in progress	833	739
Finished goods and goods for resale	1,311	1,403
	<u>2,223</u>	<u>2,183</u>

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

**14. DEBTORS**

	2010	2009
	£000	£000
Trade debtors	3,425	3,108
Amounts owed by group undertakings	51	-
Other debtors	9	40
Prepayments and accrued income	295	338
	<u>3,780</u>	<u>3,486</u>

**15. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£000	£000
Bank loans and overdrafts	2,052	2,552
Net obligations under finance leases and hire purchase contracts	13	43
Trade creditors	2,192	2,287
Amounts owed to group undertakings	25	25
Social security and other taxes	522	849
Other creditors	89	111
Accruals and deferred income	291	273
	<u>5,184</u>	<u>6,140</u>

Included within bank loans and overdrafts is £1,890,808 (2009 - £2,198,521) secured over the debtors of the company

The bank loans are secured by a fixed charge over the company's land and buildings. The property loan, which includes an amount repayable in more than five years is repayable by quarterly installments. Interest is charged at 1.9% above the base rate of interest.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

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

	2010	2009
	£000	£000
Bank loans	1,231	1,913
Net obligations under finance leases and hire purchase contracts	6	29
Amounts owed to group undertakings	2,000	-
	<u>3,237</u>	<u>1,942</u>

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. CREDITORS.**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Repayable by instalments	<b>2,202</b>	<b>1,000</b>

The bank loans are secured by a fixed charge over the company's land and buildings. The property loan, which includes an amount repayable in more than five years is repayable by quarterly installments. Interest is charged at 1.9% above the base rate of interest.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Between one and five years	<b>6</b>	<b>29</b>

**17. DEFERRED TAXATION**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	<b>30</b>	<b>39</b>
Released during year	<b>(30)</b>	<b>(10)</b>
At end of year	<b>-</b>	<b>29</b>

The provision for deferred taxation is made up as follows

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<b>71</b>	<b>29</b>
Tax losses carried forward	<b>(71)</b>	<b>-</b>
	<b>-</b>	<b>29</b>

**18. SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
250,000 Ordinary shares of £1 each	<b>250</b>	<b>250</b>

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2010

**19. RESERVES**

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2010	1,122	1,867
Loss for the year	-	(388)
(Deficit) on revaluation of freehold property	(219)	-
Transfer between revaluation reserve and profit and loss account	(48)	48
	<u>855</u>	<u>1,527</u>
At 31 December 2010		

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2010 £000	2009 £000
Opening shareholders' funds	3,239	3,593
Loss for the year	(388)	(354)
Other recognised gains and losses during the year	(219)	-
	<u>2,632</u>	<u>3,239</u>
Closing shareholders' funds		

**21. PENSION COMMITMENTS**

The company contributes to a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £238,880 (2009 £272,886). At the year end an amount of £36,349 (2009 £36,292) was unpaid and included in other creditors.

**22. OPERATING LEASE COMMITMENTS**

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2010 £000	2009 £000	2010 £000	Other 2009 £000
<b>EXPIRY DATE:</b>				
Within 1 year	12	28	87	35
Between 2 and 5 years	45	11	60	173
After more than 5 years	150	189	93	74

**23. DIRECTORS' BENEFITS, ADVANCES, CREDIT AND GUARANTEES**

At the year end each of the directors owed The Deritend Group Limited £5,000. This was the maximum balance outstanding during the year.

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**THE DERITEND GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2010**

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**24 RELATED PARTY TRANSACTIONS**

The company has taken the exemption under FRS 8 and it has not disclosed transactions with other group companies on the grounds that group accounts are prepared by the parent company

During the year the company paid rental of £20,000 (2009 £20,000) to the Directors' SIPP Pension Scheme, The Davis Hale & Smith Group SIPP

**25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

As at 31 December 2010, the ultimate parent company was Deritend Industries Limited, a company incorporated in Great Britain. No single party has a controlling interest in that company.

Deritend Industries Limited prepares consolidated financial statements which are available from Companies House