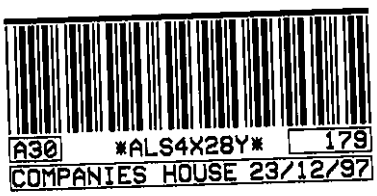
Grant Thornton

HILL & SONS (BOTLEY & DENMEAD) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1997



Company no 403721

HILL & SONS (BOTLEY & DENMEAD) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 1997

Company registration number: 403721

Registered office:	Hillsons Road Bottings Industrial Estate Botley Southampton SO30 2GE
Directors:	J A Hill M Hill C J Hill
Secretary:	J A Hill
Bankers:	National Westminster Bank Plc 130 Commercial Road Portsmouth Hampshire PO1 1ES
Auditors:	Grant Thornton Registered auditors Chartered accountants Enterprise House Isambard Brunel Road Portsmouth PO1 2RZ

HILL & SONS (BOTLEY & DENMEAD) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 1997

INDEX

	PAGE
Report of the directors	1 - 2
Report of the auditors	3
Principal accounting policies	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

HILL & SONS (BOTLEY & DENMEAD) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 1997.

Principal activities

The company is principally engaged in the trade of general hauliers

Business review

There was a profit for the year after taxation amounting to £71,511 (1996: profit £77,296). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 30 June 1997 and 30 June 1996, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	Ordinary shares	
	30 June 1997	1 July 1996
J A Hill	**2,134**	2,134
M Hill	**2,034**	2,034
C J Hill	**11,932**	11,932

Acquisition of company's own shares

3,000 shares of £1 each, representing 15.71% of the company's called up share capital, were acquired during the year for a total consideration of £30,000.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

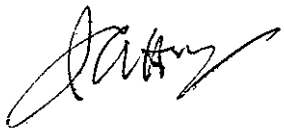
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



J A Hill
Director
18 November 1997

Grant Thornton

REPORT OF THE AUDITORS TO THE MEMBERS OF

HILL & SONS (BOTLEY & DENMEAD) LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 4 to 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

PORTSMOUTH
18 November 1997

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

In the case of motor vehicles and plant and machinery, depreciation is calculated on the reducing balance method and aims to write down the cost of all fixed assets over their expected useful lives. In the case of freehold buildings, depreciation is calculated on the straight line method.

The rates generally applicable are:-

Freehold buildings	10 years
Plant and machinery	10%
Motor vehicles	20%
Trailers	10%

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No. 19, certain of the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from the statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

PRINCIPAL ACCOUNTING POLICIES

STOCKS

Stock is valued at the lower of cost and net realisable value.

Cost means an estimated cost placed on it by the directors. Net realisable value means estimated selling price.

DEFERRED TAXATION

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LEASED ASSETS

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

HILL & SONS (BOTLEY & DENMEAD) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 June 1997

	Note	1997 £	1996 £
Turnover	1	543,239	585,179
Cost of sales		(425,469)	(451,980)
Gross profit		117,770	133,199
Administrative expenses		(100,839)	(106,816)
Other operating income		77,573	74,240
Operating profit		94,504	100,623
Exceptional items			
Profit on sale of fixed assets		8,141	3,032
Net interest	2	(18,358)	(17,229)
Profit on ordinary activities before taxation	1	84,287	86,426
Tax on profit on ordinary activities	4	(12,776)	(9,130)
Profit transferred to reserves	12	71,511	77,296

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

HILL & SONS (BOTLEY & DENMEAD) LIMITED

BALANCE SHEET AT 30 JUNE 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	5	633,672	653,762
		633,672	653,762
Current assets			
Stocks	6	4,648	6,130
Debtors	7	160,967	152,962
Cash at bank and in hand		83,758	38,885
		249,373	197,977
Creditors: amounts falling due within one year	8	(282,446)	(310,472)
Net current liabilities		(33,073)	(112,495)
Total assets less current liabilities		600,599	541,267
Creditors: amounts falling due after more than one year	9	(106,928)	(89,107)
		493,671	452,160
Capital and reserves			
Called up share capital	11	16,100	19,100
Revaluation reserve	12	29,686	29,686
Capital reserve	12	3,000	-
Profit and loss account	12	444,885	403,374
Shareholders' funds	13	493,671	452,160

The financial statements were approved by the Board of Directors on 18 November 1997.

J A Hill **Director**

C J Hill **Director**

The accompanying accounting policies and notes form an integral part of these financial statements.

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	1997 £	1996 £
Auditors' remuneration:		
Audit services	2,500	2,500
Non-audit services	10,814	5,870
Depreciation and amortisation:		
Tangible fixed assets, owned	49,129	46,614
Hire of plant and machinery	235,257	291,764
Other operating income includes:		
Sundry income	1,423	12,342

2 NET INTEREST

	1997 £	1996 £
On bank loans and overdrafts	9,713	14,096
Finance charges in respect of finance leases	-	3,133
Other interest payable and similar charges	8,742	-
Other interest receivable and similar income	(97)	-
	18,358	17,229

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	1997 £	1996 £
Wages and salaries	44,646	27,937
Social security costs	3,347	2,514
Other pension costs	14,500	493
	62,493	30,944

The average number of employees of the company during the year was 4 (1996: 6).

Remuneration in respect of directors was as follows:	1997 £	1996 £
Emoluments	**36,716**	12,755
Pension contributions to money purchase pension schemes	**14,500**	493
	51,216	13,248

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	1997 £	1996 £
UK Corporation tax at 24% (1996: 25%)	**14,200**	9,500
	14,200	9,500
Adjustments in respect of prior periods:		
Corporation tax	**(1,424)**	(370)
	12,776	9,130

5 TANGIBLE FIXED ASSETS

	Investment property £	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 1996	153,000	106,551	50,231	675,801	985,583
Additions	5,985	404	188	59,655	66,232
	158,985	106,955	50,419	735,456	1,051,815
Disposals	-	-	-	(91,340)	(91,340)
At 30 June 1997	158,985	106,955	50,419	644,116	960,475
Depreciation					
At 1 July 1996	-	42,090	33,782	255,949	331,821
Provided in the year	-	3,548	1,664	43,917	49,129
	-	45,638	35,446	299,866	380,950
Eliminated on disposals	-	-	-	(54,147)	(54,147)
At 30 June 1997	-	45,638	35,446	245,719	326,803
Net book amount at 30 June 1997	**158,985**	**61,317**	**14,973**	**398,397**	**633,672**
Net book amount at 30 June 1996	153,000	64,461	16,449	419,852	653,762

6 STOCKS

	1997 £	1996 £
Consumable stores	**4,648**	6,130

7 DEBTORS

	1997 £	1996 £
Trade debtors	**155,551**	134,445
Prepayments and accrued income	**5,416**	18,517
	160,967	152,962

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank loans and overdrafts	**7,178**	6,466
Trade creditors	**102,881**	146,706
Amounts owed to connected companies	**5,336**	6,756
Corporation tax	**14,200**	9,500
Social security and other taxes	**18,984**	13,515
Other creditors	**11,994**	-
Loans from directors	**79,498**	95,350
Accruals and deferred income	**42,375**	32,179
	282,446	310,472

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997 £	1996 £
Bank loan	**81,928**	89,107
Other creditors	**25,000**	-
	106,928	89,107

The bank loan is secured by a fixed and floating charge over the company's assets. The bank loan is repayable in equal monthly instalments from November 1995 to October 2005.

Borrowings are repayable as follows:	**1997 £**	1996 £
Within one year		
Bank and other borrowings	**86,676**	101,816
After one and within two years		
Bank and other borrowings	**7,968**	7,179
After two and within five years		
Bank and other borrowings	**41,655**	26,630
After five years		
Bank and other borrowings	**32,305**	55,298
	168,604	190,923

Bank and other borrowings repayable after five years comprise:	**1997 £**	1996 £
Bank loans	**32,305**	55,298

10 DEFERRED TAXATION

The company has unrelieved tax losses not adjusted through the deferred taxation provision of £321,893 (1996: £337,356) which are available to be set against future taxable trading profits.

11 SHARE CAPITAL

	1997 £	1996 £
Authorised Ordinary share of £1 each	20,000	20,000
Allotted, called up and fully paid Ordinary share of £1 each	16,100	19,100

Acquisition of company's own shares

3,000 shares of £1 each, representing 15.71% of the company's called up share capital, were acquired during the year for a total consideration of £30,000.

12 RESERVES

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 July 1996	29,686	-	403,374
Retained profit for the year	-	-	71,511
Other transfers	-	3,000	(30,000)
At 30 June 1997	29,686	3,000	444,885

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	71,511	77,296
Purchase of shares	(30,000)	-
Net increase in shareholders' funds	41,511	77,296
Shareholders' funds at 1 July 1996	452,160	374,864
Shareholders' funds at 30 June 1997	493,671	452,160

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 1997 or 30 June 1996.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 1997 or 30 June 1996.

16 PENSIONS

Defined Contribution Scheme

The company contributes to a defined contribution pension scheme for the benefit of a director. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £14,500 (1996 £493).