REGISTERED NUMBER: 09863021

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 FOR HILLS PROSPECT HOLDINGS LTD

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HILLS PROSPECT HOLDINGS LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:	N Callaghan T Bowers
REGISTERED OFFICE:	Cambridge House 27 Cambridge Park Wanstead London E11 2PU
REGISTERED NUMBER:	09863021
AUDITORS:	Leibovitch & Co 249 Cranbrook Road Ilford Essex IG1 4TG

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

he results for the year and financial position of the company are shown in the annexed financial statements and are prepared in accordance with FRS102.

Development, Performance and KPI's

The company's turnover increased by 1.80% to £43,081,344 this year compared to last year. The company's gross profit margin increased to 19.45% this year versus 18.38% last year and has achieved year on year growth in margin for the 5th consecutive year. Next year will continue to see strategic and tactical focus on operating margin and associated costs under the scrutiny of the directorship. The directorship will actively continue to review low margin customers and apply focus to increase the margin or reduce the turnover whilst increasing our margin and operating efficiencies. Considerable focus has also been applied to buying opportunities to assist with maximising margins. The directorship is also actively looking to further develop the growth of the business by strategic geographic acquisition and organic growth.

Principle Risks and Uncertainties

The directors consider that the company has few risks associated with its trade but is always mindful of the risks of transporting goods and recovering debts. Recent developments with key market leaders in this sector has meant that the directorship has looked to remove any risk of financially over extending the business.

There is also continued recognition that the company's products are contained in recyclable containers and that where the suppliers charge deposits the company will collect containers for recycling. Other containers are left with the customers to recycle but all packaging is returned to the warehouse for recycling.

ON BEHALF OF THE BOARD:

N Callaghan - Director

28 September 2018

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2017 will be £ 525,238 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

N Callaghan
T Bowers

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Leibovitch & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N Callaghan - Director

28 September 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HILLS PROSPECT HOLDINGS LTD

Opinion

We have audited the financial statements of Hills Prospect Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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 a Report of the Auditors 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.

Barry Leibovitch (Senior Statutory Auditor)
for and on behalf of Leibovitch & Co
249 Cranbrook Road
Ilford
Essex
IG1 4TG

28 September 2018

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
TURNOVER			43,170,741		42,228,965
Cost of sales			34,699,896		34,539,819
GROSS PROFIT			8,470,845		7,689,146
Distribution costs		703,205		662,427	
Administrative expenses		6,079,671		5,762,727	
			6,782,876		6,425,154
			1,687,969		1,263,992
Other operating income			103,584		99,507
OPERATING PROFIT	4		1,791,553		1,363,499
Interest receivable and similar income			2,415		5,614
			1,793,968		1,369,113
Amounts written off investments	5		-		1
			1,793,968		1,369,112
Interest payable and similar expenses	6		10,759		6,911
PROFIT BEFORE TAXATION			1,783,209		1,362,201
Tax on profit	7		670,973		287,123
PROFIT FOR THE FINANCIAL YEAR			1,112,236		1,075,078
Profit attributable to:					
Owners of the parent			1,112,236		1,075,078

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		1,112,236	1,075,078
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,112,236	1,075,078
Total comprehensive income attributable to:			
Owners of the parent		1,112,236	1,075,078

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		970,504		906,292
Investments	12		1,345,734		1,345,734
			2,316,238		2,252,026
CURRENT ASSETS					
Stocks	13	2,059,079		2,062,503	
Debtors	14	3,753,048		3,350,550	
Cash at bank and in hand		1,179,208		696,139	
		6,991,335		6,109,192	
CREDITORS					
Amounts falling due within one year	15	5,398,964		5,435,397	
NET CURRENT ASSETS			1,592,371		673,795
TOTAL ASSETS LESS CURRENT LIABILITIES			3,908,609		2,925,821
CREDITORS					
Amounts falling due after more than one year	16		(303,511)		(257,629)
PROVISIONS FOR LIABILITIES	19		(457,211)		(107,303)
NET ASSETS			3,147,887		2,560,889
CAPITAL AND RESERVES					
Called up share capital	20		208,520		208,520
Retained earnings	21		2,939,367		2,352,369
SHAREHOLDERS' FUNDS			3,147,887		2,560,889

The financial statements were approved by the Board of Directors on 28 September 2018 and were signed on its behalf by:

N Callaghan - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		3,471,074		1,741,006
			3,471,074		1,741,006
CREDITORS					
Amounts falling due within one year	15	1,340,208		1,532,500	
NET CURRENT LIABILITIES			(1,340,208)		(1,532,500)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,130,866		208,506
PROVISIONS FOR LIABILITIES	19		328,713		-
NET ASSETS			1,802,153		208,506
CAPITAL AND RESERVES					
Called up share capital	20		208,506		208,506
Retained earnings	21		1,593,647		-
SHAREHOLDERS' FUNDS			1,802,153		208,506
Company's profit for the financial year			1,593,647		-

The financial statements were approved by the Board of Directors on 28 September 2018 and were signed on its behalf by:

N Callaghan - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	208,516	1,739,188	1,947,704
Changes in equity			
Issue of share capital	4	-	4
Dividends	-	(461,897)	(461,897)
Total comprehensive income	-	1,075,078	1,075,078
Balance at 31 December 2016	208,520	2,352,369	2,560,889
Changes in equity			
Dividends	-	(525,238)	(525,238)
Total comprehensive income	-	1,112,236	1,112,236
Balance at 31 December 2017	208,520	2,939,367	3,147,887

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	208,506	-	208,506
Changes in equity			
Balance at 31 December 2016	208,506	-	208,506
Changes in equity			
Total comprehensive income	-	1,593,647	1,593,647
Balance at 31 December 2017	208,506	1,593,647	1,802,153

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	1,492,916	778,502
Interest paid		(206)	(24)
Interest element of hire purchase payments paid		(10,553)	(6,887)
Tax paid		(255,441)	(211,696)
Net cash from operating activities		1,226,716	559,895
Cash flows from investing activities			
Purchase of tangible fixed assets		(363,199)	(291,534)
Sale of tangible fixed assets		29,775	6,835
Interest received		2,415	5,614
Net cash from investing activities		(331,009)	(279,085)
Cash flows from financing activities			
Capital repayments in year		112,600	175,833
Equity dividends paid		(525,238)	(461,897)
Net cash from financing activities		(412,638)	(286,064)
Increase/(decrease) in cash and cash equivalents		483,069	(5,254)
Cash and cash equivalents at beginning of year	2	696,139	701,393
Cash and cash equivalents at end of year	2	1,179,208	696,139

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	1,783,209	1,362,201
Depreciation charges	268,651	225,490
Loss on disposal of fixed assets	547	8,008
Finance costs	10,759	6,911
Finance income	(2,415)	(5,614)
	2,060,751	1,596,996
Decrease in stocks	3,424	82,564
Increase in trade and other debtors	(402,483)	(569,529)
Decrease in trade and other creditors	(168,776)	(331,529)
Cash generated from operations	1,492,916	778,502

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	1,179,208	696,139

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	696,139	701,393

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. STATUTORY INFORMATION

Hills Prospect Holdings Ltd is a private company, limited by shares , registered in Not specified/Other. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation
The consolidated accounts are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all Group companies. Group companies are consolidated from the date the Group exercises control or influence over the company. Divested companies are included in the consolidated accounts until the date the Group ceases to control or exercise influence over them.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- in accordance with the property
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	3,810,776	3,684,736
Social security costs	345,691	329,987
Other pension costs	159,502	215,880
	4,315,969	4,230,603

The average number of employees during the year was as follows:

	2017	2016
Selling and distribution	127	128
Administration	17	15
	144	143

The average number of employees by undertakings that were proportionately consolidated during the year was 144 (2016 - 143) .

	2017	2016
	£	£
Directors' remuneration	255,632	200,595
Directors' pension contributions to money purchase schemes	5,400	133,003

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	29,996	29,996
Pension contributions to money purchase schemes	4,241	4,000

continued...

4. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	140,661	174,531
Depreciation - assets on hire purchase contracts	128,004	50,954
Loss on disposal of fixed assets	547	8,008
Auditors' remuneration	13,350	12,000
Foreign exchange differences	82	-

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2017	2016
	£	£
Amounts w/o invs	-	1

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	206	24
Hire purchase	10,553	6,887
	10,759	6,911

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	321,065	255,453
Deferred tax	349,908	31,670
Tax on profit	670,973	287,123

continued...

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before tax	1,783,209	1,362,201
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	343,268	272,440
Effects of:		
Expenses not deductible for tax purposes	4,276	5,854
Capital allowances in excess of depreciation	(26,479)	(22,841)
Deferred tax movement	349,908	31,670
Total tax charge	670,973	287,123

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

continued...

9. DIVIDENDS

	2017	2016
	£	£
Ordinary 'B' shares of £1 each		
Interim	5,000	24,000
Ordinary 'C' shares of £1 each		
Interim	37,500	37,500
Ordinary 'D' shares of £1 each		
Interim	-	20,000
Ordinary 'E' shares of £1 each		
Interim	71,000	-
Ordinary 'F' shares of £1 each		
Interim	172,866	83,108
Ordinary 'G' shares of £1 each		
Interim	6,296	44,233
Ordinary 'H' shares of £1 each		
Interim	-	13,492
Ordinary 'I' shares of £1 each		
Interim	35,000	35,000
Ordinary 'J' shares of £1 each		
Interim	31,500	63,000
Ordinary 'K' shares of £1 each		
Interim	146,076	121,564
Ordinary 'L' shares of £1 each		
Interim	5,000	5,000
Ordinary 'M' shares of £1 each		
Interim	5,000	5,000
Ordinary 'N' shares of £1 each		
Interim	5,000	5,000
Ordinary 'O' shares of £1 each		
Interim	5,000	5,000
	525,238	461,897

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 January 2017	
and 31 December 2017	5,000
AMORTISATION	
At 1 January 2017	
and 31 December 2017	5,000
NET BOOK VALUE	
At 31 December 2017	-
At 31 December 2016	-

continued...

11. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2017	71,786	79,795	438,472
Additions	-	-	66,735
At 31 December 2017	71,786	79,795	505,207
DEPRECIATION			
At 1 January 2017	17,595	55,124	220,427
Charge for year	4,786	6,168	61,840
Eliminated on disposal	-	-	-
At 31 December 2017	22,381	61,292	282,267
NET BOOK VALUE			
At 31 December 2017	49,405	18,503	222,940
At 31 December 2016	54,191	24,671	218,045

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2017	1,338,711	84,659	2,013,423
Additions	268,030	28,434	363,199
Disposals	(178,895)	(283)	(179,178)
At 31 December 2017	1,427,846	112,810	2,197,444
DEPRECIATION			
At 1 January 2017	782,645	31,340	1,107,131
Charge for year	172,017	23,854	268,665
Eliminated on disposal	(148,848)	(8)	(148,856)
At 31 December 2017	805,814	55,186	1,226,940
NET BOOK VALUE			
At 31 December 2017	622,032	57,624	970,504
At 31 December 2016	556,066	53,319	906,292

continued...

11. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2017	411,543	-	411,543
Additions	264,690	9,000	273,690
Reclassification/transfer	-	12,450	12,450
At 31 December 2017	676,233	21,450	697,683
DEPRECIATION			
At 1 January 2017	36,923	-	36,923
Charge for year	121,469	6,535	128,004
Reclassification/transfer	38,753	346	39,099
At 31 December 2017	197,145	6,881	204,026
NET BOOK VALUE			
At 31 December 2017	479,088	14,569	493,657
At 31 December 2016	374,620	-	374,620

12. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 January 2017 and 31 December 2017	1,345,734
NET BOOK VALUE	
At 31 December 2017	1,345,734
At 31 December 2016	1,345,734

Company

	Unlisted investments £
COST OR VALUATION	
At 1 January 2017	1,741,006
Revaluations	1,730,068
At 31 December 2017	3,471,074
NET BOOK VALUE	
At 31 December 2017	3,471,074
At 31 December 2016	1,741,006

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Company

Cost or valuation at 31 December 2017 is represented by:

	Unlisted investments
	£
Valuation in 2017	1,730,068
Cost	1,741,006
	3,471,074

If unlisted investments had not been revalued they would have been included at the following historical cost:

	2017	2016
	£	£
Cost	1,741,006	-

Unlisted investments were valued on open market basis on 31 December 2017 by directors .

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Hills Prospect Plc
Registered office:
Nature of business: Drinks distributor

Class of shares:	% holding
Ordinary	100.00

	31.12.17	31.12.16
	£	£
Aggregate capital and reserves	3,471,074	2,747,655
Profit for the year	1,248,657	1,075,078

13. **STOCKS**

	Group	
	2017	2016
	£	£
Finished goods	2,059,079	2,062,503

continued...

14. DEBTORS

	Group	
	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	3,277,655	2,963,385
Other debtors	46,805	59,808
Prepayments and accrued income	236,676	213,642
	3,561,136	3,236,835
Amounts falling due after more than one year:		
Other debtors	191,912	113,715
Aggregate amounts	3,753,048	3,350,550

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Hire purchase contracts (see note 17)	177,946	111,228	-	-
Trade creditors	4,083,524	4,371,892	-	-
Amounts owed to group undertakings	-	-	1,289,853	1,532,500
Tax	321,097	255,472	46,005	-
Social security and other taxes	94,300	86,556	-	-
VAT	236,337	110,054	-	-
Other creditors	211,630	254,723	-	-
Pension	13	3,409	-	-
Accruals and deferred income	274,117	242,063	4,350	-
	5,398,964	5,435,397	1,340,208	1,532,500

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

	Group	
	2017	2016
	£	£
Hire purchase contracts (see note 17)	303,511	257,629

continued...

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Gross obligations repayable:		
Within one year	189,004	119,729
Between one and five years	322,376	278,561
	511,380	398,290
Finance charges repayable:		
Within one year	11,058	8,501
Between one and five years	18,865	20,932
	29,923	29,433
Net obligations repayable:		
Within one year	177,946	111,228
Between one and five years	303,511	257,629
	481,457	368,857

18. SECURED DEBTS

There is a cross guarantee with Barclays Bank Plc, dated 27 January 2016, between Hills Prospect Plc and Hills Prospect Holdings Ltd for a credit facility.

There are debentures in the name of Hills Drinks Distributors Plc, dated 28 July 2003, and Hills Prospect Holdings Ltd in favour of Barclays Bank Plc.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax	457,211	107,303	328,713	-

Group

	Deferred tax
	£
Balance at 1 January 2017	107,303
Provided during year	349,908
Balance at 31 December 2017	457,211

continued...

19. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Provided during year	328,713
Balance at 31 December 2017	328,713

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
208,506	Ordinary	£1	208,506	208,506

21. RESERVES

Group

	Retained carnings £
At 1 January 2017	2,352,369
Profit for the year	1,112,236
Dividends	(525,238)
At 31 December 2017	2,939,367

Company

	Retained earnings £
Profit for the year	1,593,647
At 31 December 2017	1,593,647

CONSOLIDATED RECONCILIATION OF EQUITY
1 JANUARY 2016
(DATE OF TRANSITION TO FRS 102)

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	855,086	-	855,086
Investments	1,345,734	-	1,345,734
	2,200,820	-	2,200,820
CURRENT ASSETS			
Stocks	2,145,067	-	2,145,067
Debtors	4,313,522	-	4,313,522
Investments	1	-	1
Cash at bank and in hand	701,393	-	701,393
	7,159,983	-	7,159,983
CREDITORS			
Amounts falling due within one year	(7,214,814)	-	(7,214,814)
NET CURRENT LIABILITIES	(54,831)	-	(54,831)
TOTAL ASSETS LESS CURRENT LIABILITIES	2,145,989	-	2,145,989
CREDITORS			
Amounts falling due after more than one year	(122,652)	-	(122,652)
PROVISIONS FOR LIABILITIES	(75,633)	-	(75,633)
NET ASSETS	1,947,704	-	1,947,704
CAPITAL AND RESERVES			
Called up share capital	208,516	-	208,516
Retained earnings	1,739,188	-	1,739,188
SHAREHOLDERS' FUNDS	1,947,704	-	1,947,704
	1,947,704	-	1,947,704

The notes form part of these financial statements

continued...

CONSOLIDATED RECONCILIATION OF EQUITY - continued
31 DECEMBER 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS			
Tangible assets	855,086	51,206	906,292
Investments	(186,766)	1,532,500	1,345,734
	668,320	1,583,706	2,252,026
CURRENT ASSETS			
Stocks	2,145,067	(82,564)	2,062,503
Debtors	4,313,522	(962,972)	3,350,550
Investments	1	(1)	-
Cash at bank and in hand	701,393	(5,254)	696,139
	7,159,983	(1,050,791)	6,109,192
CREDITORS			
Amounts falling due within one year	(5,682,314)	246,917	(5,435,397)
NET CURRENT ASSETS	1,477,669	(803,874)	673,795
TOTAL ASSETS LESS CURRENT LIABILITIES	2,145,989	779,832	2,925,821
CREDITORS			
Amounts falling due after more than one year	(122,652)	(134,977)	(257,629)
PROVISIONS FOR LIABILITIES	(75,633)	(31,670)	(107,303)
NET ASSETS	1,947,704	613,185	2,560,889
CAPITAL AND RESERVES			
Called up share capital	208,516	4	208,520
Retained earnings	1,739,188	613,181	2,352,369
SHAREHOLDERS' FUNDS	1,947,704	613,185	2,560,889
	1,947,704	613,185	2,560,889

The notes form part of these financial statements

CONSOLIDATED RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2016

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	34,613,337	7,615,628	42,228,965
Cost of sales	(28,519,060)	(6,020,759)	(34,539,819)
GROSS PROFIT	6,094,277	1,594,869	7,689,146
Distribution costs	(505,815)	(156,612)	(662,427)
Administrative expenses	(4,293,202)	(1,469,525)	(5,762,727)
Other operating income	72,563	26,944	99,507
OPERATING PROFIT	1,367,823	(4,324)	1,363,499
Interest receivable and similar income	6,865	(1,251)	5,614
Amounts written off investments	(49,999)	49,998	(1)
Interest payable and similar expenses	(11,705)	4,794	(6,911)
PROFIT BEFORE TAXATION	1,312,984	49,217	1,362,201
Tax on profit	(198,664)	(88,459)	(287,123)
PROFIT FOR THE FINANCIAL YEAR	1,114,320	(39,242)	1,075,078
Profit attributable to:			
Owners of the parent			1,075,078

The notes form part of these financial statements

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