

Company Registration Number 399212

**WILLIAM HARE LIMITED**  
**FINANCIAL STATEMENTS**  
**31st DECEMBER 2006**



**HORSFIELD & SMITH**  
Chartered Accountants & Registered Auditor  
Tower House  
269 Walmersley Road  
Bury  
Lancashire  
BL9 6NX

# **WILLIAM HARE LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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# **WILLIAM HARE LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	B Hodgkiss DL Mrs J Hodgkiss DMW Hodgkiss BA (Hons) Ms SK Hodgkiss DL C Arnold BSc AIChemE NJ Day JA Morgan MRICS G Simmons CEng MStructEng RJ Redgate BSc (Hons) ACA
<b>Company secretary</b>	RJ Redgate BSc (Hons) ACA
<b>Registered office</b>	Brandlesholme House Brandlesholme Road Bury BL8 1JJ
<b>Auditor</b>	Horsfield & Smith Chartered Accountants & Registered Auditor Tower House 269 Walmersley Road Bury Lancashire BL9 6NX
<b>Solicitors</b>	Addleshaw Goddard 100 Barbirolli Square Manchester M2 3AB

# **WILLIAM HARE LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31st DECEMBER 2006**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2006

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company's activities are mainly the design, fabrication and erection of structural steelwork

The results are set out in the body of these financial statements

The company's future intentions are to maintain and develop the same lines of business at a reasonable margin and to continue to work in a safe and responsible manner being aware of social, sustainability and environmental issues

As always, the board expresses their appreciation for the efforts made by all staff who have shown great loyalty and dedication

### **FUTURE DEVELOPMENTS**

Capital expenditure and modernisation will continue to be undertaken consistent with requirements of the market

### **RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements

The directors have not recommended a dividend

### **DIRECTORS**

The directors who served the company during the year were as follows

B Hodgkiss DL  
Mrs J Hodgkiss  
DMW Hodgkiss BA (Hons)  
Ms SK Hodgkiss DL  
DJ Stansfield FCA  
C Arnold BSc AICChemE  
NJ Day  
JA Morgan MRICS  
G Simmons CEng MStructEng  
RJ Redgate BSc (Hons) ACA

The company is a wholly owned subsidiary and the interests of the group directors in the parent company are disclosed in the financial statements of that company

RJ Redgate was appointed as a director on 9th October 2006

JA Morgan retired as a director on 4<sup>th</sup> April 2007  
DJ Stansfield retired as a director on 31st May 2007

# **WILLIAM HARE LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31st DECEMBER 2006**

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### **FIXED ASSETS**

The directors are of the opinion that the market value of the freehold and leasehold land and buildings is not less than the book value shown by the accounts

The movements in fixed assets during the year are shown by note 10 to the accounts

### **DONATIONS**

During the year the company made the following contributions

	2006	2005
	£	£
Charitable	<u>107,915</u>	<u>85,842</u>

### **DISABLED EMPLOYEES**

Employee development appropriate to the needs of the business is encouraged, as is the provision to employees of full information on the objectives and progress of the company

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employees who become disabled during employment to continue their careers within the company. Training, career development and promotion of disabled employees is, as far as possible, identical to that of other employees.

### **EMPLOYEE INVOLVEMENT**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### **AUDITOR**

A resolution to re-appoint Horsfield & Smith as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



DMW Hodgkiss  
Director

Approved by the directors on 19<sup>th</sup> October 2007

# **WILLIAM HARE LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31st DECEMBER 2006**

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The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies, as described on pages 9 to 11, and then apply them consistently,

- make judgements and 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, and

- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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 so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

# **WILLIAM HARE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF WILLIAM HARE LIMITED**



**YEAR ENDED 31st DECEMBER 2006**

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We have audited the financial statements of William Hare Limited for the year ended 31 December 2006 on pages 7 to 19 which have been prepared on the basis of the accounting policies set out on pages 9 to 11

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**WILLIAM HARE LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER  
OF WILLIAM HARE LIMITED** *(continued)*



**HORSFIELD & SMITH**  
Chartered Accountants

**YEAR ENDED 31st DECEMBER 2006**

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**OPINION**

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

Tower House  
269 Walmersley Road  
Bury  
Lancashire  
BL9 6NX

**HORSFIELD & SMITH**  
Chartered Accountants  
& Registered Auditor

19<sup>th</sup> October 2007



# **WILLIAM HARE LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31st DECEMBER 2006**

	Note	2006 £000	2005 £000
<b>TURNOVER</b>	<b>2</b>	<b>137,871</b>	<b>88,811</b>
Cost of sales		<b>(118,533)</b>	<b>(76,268)</b>
<b>GROSS PROFIT</b>		<b>19,338</b>	<b>12,543</b>
Administrative expenses		<b>(16,520)</b>	<b>(10,029)</b>
Other operating income	<b>3</b>	<b>—</b>	<b>10</b>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>2,818</b>	<b>2,524</b>
Interest receivable		<b>337</b>	<b>91</b>
Interest payable and similar charges	<b>7</b>	<b>(104)</b>	<b>(336)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,051</b>	<b>2,279</b>
Tax on profit on ordinary activities	<b>8</b>	<b>1,192</b>	<b>945</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>20</b>	<b>1,859</b>	<b>1,334</b>
Balance brought forward		<b>19,182</b>	<b>17,848</b>
Balance carried forward		<b>21,041</b>	<b>19,182</b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 19 form part of these financial statements

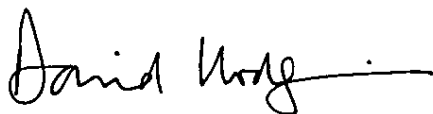
# WILLIAM HARE LIMITED

## BALANCE SHEET

31st DECEMBER 2006

	Note	£000	2006 £000	2005 £000
<b>FIXED ASSETS</b>				
Tangible assets	9		<u>12,587</u>	<u>12,202</u>
<b>CURRENT ASSETS</b>				
Stocks and work in progress	10	8,883		3,448
Debtors	11	29,490		27,445
Cash at bank and in hand		<u>10,562</u>		<u>7,214</u>
		48,935		38,107
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>38,713</u>		<u>28,892</u>
<b>NET CURRENT ASSETS</b>			<u>10,222</u>	<u>9,215</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>22,809</u>	<u>21,417</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13		<u>1,123</u>	<u>1,584</u>
			<u>21,686</u>	<u>19,833</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred taxation	15		<u>610</u>	<u>616</u>
			<u>21,076</u>	<u>19,217</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	19		35	35
Profit and loss account			<u>21,041</u>	<u>19,182</u>
<b>SHAREHOLDER'S FUNDS</b>	20		<u>21,076</u>	<u>19,217</u>

These financial statements were approved by the directors on 19<sup>th</sup> October 2007 and are signed on their behalf by



DMW Hodgkiss  
Director

The notes on pages 9 to 19 form part of these financial statements

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

#### **Related parties transactions**

The company is a wholly owned subsidiary of William Hare Group Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the William Hare Group Limited group

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	2% and 4% straight line
Leasehold Property	-	4% straight line
Plant & Machinery	-	15% - 25% reducing balance
Fixtures & Fittings	-	15% 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

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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### **1. ACCOUNTING POLICIES** *(continued)*

#### **Profit recognition on contracts**

Profit is taken on contracts as work progresses once the final outcome can be assessed with reasonable certainty. The profit included in the accounts reflects the proportion of work carried out by the year end. Full provision is made for losses on all contracts in the year in which they are foreseen.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **Pension costs and other post-retirement benefits**

The company operates both defined contribution and defined benefit pension schemes for employees. The assets of the schemes are held separately from those of the company.

Contributions to the defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

The company recognises pension fund liabilities as they arise. Pension fund assets are only recognised to the extent that the company is certain that the Trustees of the defined benefit schemes will repay excess contributions to the company. Until such time as a repayment can be quantified, no asset is recognised on the Balance Sheet.

The annual contributions payable to defined contribution pension schemes are charged to the profit and loss account.

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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### **1. ACCOUNTING POLICIES** *(continued)*

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

However, deferred tax assets are recognised only to the extent that the directors consider it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Foreign currencies**

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

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

### **2. TURNOVER**

Turnover represents the invoiced amount of goods sold and services provided, less credits, stated net of value added tax and is attributable to the one activity of the company, the design, fabrication and erection of structural steelwork

The directors consider that it is not in the company's interests to give a detailed analysis of turnover geographically area by area

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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### **3. OTHER OPERATING INCOME**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Rent receivable	<u>—</u>	<u>10</u>

### **4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting)

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Amortisation	<b>91</b>	91
Depreciation of owned fixed assets	<b>1,118</b>	1,021
Depreciation of assets held under hire purchase agreements	<b>188</b>	247
Loss on disposal of fixed assets	<b>60</b>	124
Auditors' remuneration		
- as auditors	<b>65</b>	50
- for other services	<b>29</b>	22
Net loss/(profit) on foreign currency translation	<u><b>49</b></u>	<u>(137)</u>

### **5. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to

	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>
Office and management staff	<b>125</b>	126
Technical services staff	<b>88</b>	86
Manufacturing and installation staff	<b>405</b>	307
	<u><b>618</b></u>	<u>519</u>

The aggregate payroll costs of the above were

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>19,856</b>	16,025
Social security costs	<b>2,849</b>	1,815
Other pension costs	<b>332</b>	276
	<u><b>23,037</b></u>	<u>18,126</u>

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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### **6. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Emoluments receivable	<b>564</b>	230
Value of company pension contributions to money purchase schemes	<b>12</b>	—
	<b><u>576</u></b>	<b><u>230</u></b>

Emoluments of highest paid director

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Total emoluments (excluding pension contributions)	<b>155</b>	120
Value of company pension contributions to money purchase schemes	<b>1</b>	—
	<b><u>156</u></b>	<b><u>120</u></b>

The number of directors who accrued benefits under company pension schemes was as follows

	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	—	—
Defined benefit schemes	<b><u>3</u></b>	<b><u>2</u></b>

### **7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank borrowing	<b>77</b>	278
Finance charges	<b>27</b>	58
	<b><u>104</u></b>	<b><u>336</u></b>

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

### **8. TAXATION ON ORDINARY ACTIVITIES**

#### **(a) Analysis of charge in the year**

	<b>£000</b>	<b>2006 £000</b>	<b>2005 £000</b>
Current tax			
In respect of the year			
UK Corporation tax based on the results for the year at 30% (2005 - 30%)		<b>1,198</b>	<b>794</b>
Total current tax		<b>1,198</b>	<b>794</b>
Deferred tax			
Origination and reversal of timing differences	<b>(6)</b>		<b>151</b>
Total deferred tax (note 16)		<b>(6)</b>	<b>151</b>
Tax on profit on ordinary activities		<b>1,192</b>	<b>945</b>

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

#### **(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	<b>2006 £000</b>	<b>2005 £000</b>
Profit on ordinary activities before taxation	<b>3,051</b>	<b>2,279</b>
Profit/(loss) on ordinary activities by rate of tax	<b>915</b>	<b>684</b>
Permanent differences	<b>262</b>	<b>224</b>
Fixed asset and other timing differences	<b>39</b>	<b>37</b>
Depreciation in excess of capital allowances	<b>(12)</b>	<b>51</b>
Tax adjustments in respect of other provisions	<b>-</b>	<b>(202)</b>
Group relief	<b>(24)</b>	<b>(356)</b>
Payment for group relief	<b>-</b>	<b>356</b>
Other short term timing differences	<b>18</b>	<b>-</b>
Total current tax (note 9(a))	<b>1,198</b>	<b>794</b>



# WILLIAM HARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2006

### 9. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>					
	Freehold Property £000	Long Lease £000	Short Lease £000	Plant & Machinery £000	Other Assets £000	Total £000
<b>COST</b>						
At 1 Jan 2006	6,571	2,283	202	8,515	6,286	23,857
Additions	131	—	—	780	1,135	2,046
Disposals	—	—	—	(547)	(490)	(1,037)
<b>At 31 Dec 2006</b>	<b>6,702</b>	<b>2,283</b>	<b>202</b>	<b>8,748</b>	<b>6,931</b>	<b>24,866</b>
<b>DEPRECIATION</b>						
At 1 Jan 2006	1,515	473	129	5,757	3,781	11,655
Charge for the year	213	92	8	468	616	1,397
On disposals	—	—	—	(493)	(280)	(773)
<b>At 31 Dec 2006</b>	<b>1,728</b>	<b>565</b>	<b>137</b>	<b>5,732</b>	<b>4,117</b>	<b>12,279</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Dec 2006</b>	<b>4,974</b>	<b>1,718</b>	<b>65</b>	<b>3,016</b>	<b>2,814</b>	<b>12,587</b>
At 31 Dec 2005	5,056	1,810	73	2,758	2,505	12,202

#### Hire purchase agreements

Included within the net book value of £12,587,000 is £910,000 (2005 - £1,159,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £188,000 (2005 - £247,000).

#### Capital commitments

	2006 £000	2005 £000
Contracted but not provided for in the financial statements	593	373

### 10. STOCKS AND WORK IN PROGRESS

	2006 £000	2005 £000
Raw materials	562	531
Work in progress	8,321	2,917
	<b>8,883</b>	<b>3,448</b>

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

### **11. DEBTORS**

	2006	2005
	£000	£000
Trade debtors	21,680	18,683
Amounts owed by group undertakings	7,386	6,851
Other debtors	32	1,328
Prepayments and accrued income	392	583
	<u>29,490</u>	<u>27,445</u>

Included in trade debtors is an amount of £851,000 which is due after more than one year (2005 - £1,080,000)

### **12. CREDITORS: Amounts falling due within one year**

	2006	2005
	£000	£000
Bank loans and overdrafts	144	267
Payments received on account	4,736	7,406
Trade creditors	25,921	15,620
Amounts owed to group undertakings	1,575	959
Corporation tax	770	324
PAYE and social security	1,597	501
VAT	11	1,998
Hire purchase agreements	332	429
Other creditors	426	182
Accruals and deferred income	3,201	1,206
	<u>38,713</u>	<u>28,892</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006	2005
	£000	£000
Bank loans and overdrafts	<u>144</u>	<u>267</u>

The bank overdraft of £0 (2005 - £122,512) and the bank loan of £144,397 (2005 - £144,397) are secured on the company's freehold and leasehold property

### **13. CREDITORS: Amounts falling due after more than one year**

	2006	2005
	£000	£000
Bank loans and overdrafts	1,047	1,191
Hire purchase agreements	76	393
	<u>1,123</u>	<u>1,584</u>

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31st DECEMBER 2006**

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#### **13. CREDITORS: Amounts falling due after more than one year *(continued)***

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<b><u>1,047</u></b>	<b><u>1,191</u></b>

The bank loan of £1,046,879 (2005 - £1,191,277) is secured on the company's freehold and leasehold property. The loan is repayable in quarterly instalments over fifteen years from March 2000. Interest is charged at 1% over base rate or other applicable rate.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<b><u>469</u></b>	<b><u>614</u></b>

The above amounts are payable by instalments

There is a banking facility of £13,500,000 to cover overdraft and/or indemnities and facilities of £5,000,000 from Norwich Union Insurance Group, and £5,000,000 from HCC International Insurance Company plc to cover guarantees and indemnities.

#### **14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Amounts payable within 1 year	<b>332</b>	<b>429</b>
Amounts payable between 2 to 5 years	<b><u>76</u></b>	<b><u>393</u></b>
	<b><u>408</u></b>	<b><u>822</u></b>

The above amounts are secured on the assets concerned

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

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### **15. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was

	2006	2005
	£000	£000
Provision brought forward	616	466
Profit and loss account movement arising during the year	(6)	150
Provision carried forward	<u>610</u>	<u>616</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006	2005
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	761	749
Adjustment in respect of prior periods	(65)	(65)
Other timing differences	(86)	(68)
	<u>610</u>	<u>616</u>

### **16. CONTINGENCIES**

Contingent liabilities amounting to £13,942,943 (2005 - £6,607,368) existed at the year end in respect of indemnities and guarantees

### **17. RELATED PARTY TRANSACTIONS**

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

### **18. PENSION COMMITMENTS**

The company operated defined benefit schemes for certain employees and directors. It also operates a defined contribution scheme for other employees and employees of certain group companies. The assets of both schemes are held separately from those of the company. At the end of the year, the defined benefit schemes showed actuarial surpluses. Early in 2007, the decision was implemented to close those schemes, and to transfer members to defined contribution schemes on approximately equivalent benefits. The cost of this decision in 2007 was £162,000. Consequently the actuarial surplus has not been recognised in these accounts.

# **WILLIAM HARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31st DECEMBER 2006**

### **19. SHARE CAPITAL**

#### **Authorised share capital:**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
25,000 Ordinary shares of £1 each	<b>25</b>	<b>25</b>
10,000 4 2% Cumulative preference shares of £1 each	<b>10</b>	<b>10</b>
	<b><u>35</u></b>	<b><u>35</u></b>

#### **Allotted, called up and fully paid:**

	<b>2006</b>		<b>2005</b>	
	<b>No</b>	<b>£000</b>	<b>No</b>	<b>£000</b>
Ordinary shares of £1 each	<b>25,000</b>	<b>25</b>	<b>25,000</b>	<b>25</b>
4 2% Cumulative preference shares of £1 each	<b>10,000</b>	<b>10</b>	<b>10,000</b>	<b>10</b>
	<b><u>35,000</u></b>	<b><u>35</u></b>	<b><u>35,000</u></b>	<b><u>35</u></b>
<b>Equity shares</b>				
Ordinary shares of £1 each	<b>25,000</b>	<b>25</b>	<b>25,000</b>	<b>25</b>
4 2% Cumulative preference shares of £1 each	<b>10,000</b>	<b>10</b>	<b>10,000</b>	<b>10</b>
	<b><u>35,000</u></b>	<b><u>35</u></b>	<b><u>35,000</u></b>	<b><u>35</u></b>

The cumulative preference shares confer on the holder priority in the payment of dividends and the repayment of capital

### **20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	<b>1,859</b>	<b>1,334</b>
Opening shareholder's funds	<b>19,217</b>	<b>17,883</b>
Closing shareholder's funds	<b><u>21,076</u></b>	<b><u>19,217</u></b>

### **21. ULTIMATE PARENT COMPANY**

The company regards William Hare Group Limited, registered in England, as its ultimate holding company

The company is considered to be under the control of the majority of the directors of the ultimate holding company