

**HILL HIRE LIMITED  
(FORMERLY HILL HIRE PLC)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2012**

Registered number 02506613

MONDAY



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COMPANIES HOUSE

## **Hill Hire Limited (formerly Hill Hire Plc)**

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# **Hill Hire Limited (formerly Hill Hire Plc)**

## **Directors' report**

### **Year ended 31 December 2012**

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

#### **Principal activities**

Until 31 March 2012, the principal activity of the Company continued to be the provision of industry third party integrated transportation services. These activities included commercial vehicle rental, contract leasing hire, fleet management and dedicated contract carriage. The Company was incorporated in England and Wales, and continued to operate in, and to be domiciled in the UK.

After 31 March 2012, the Company is dormant, following the transfer of all trading activity, assets and liabilities to Ryder Limited, the immediate parent undertaking.

#### **Business review**

On 27 March 2012 the Company reduced its share capital using the solvency statement procedure permitted under the Companies Act 2006. The issued share capital of the Company was reduced from 30,960,908 ordinary shares of £0.10 each to 1 ordinary share of £0.10, and the share premium account was reduced from £9,695,000 to £nil, with the balance arising from the reductions being transferred directly to retained earnings as permitted by article 3(2) of the Companies (Reduction of Share Capital) Order 2008.

On 28 March 2012, the company was re-registered as a private limited company. Consequently, on that date the company name changed from Hill Hire Plc, to Hill Hire Limited.

Prior to the transfer of the trade to Ryder Limited, the Company had a successful first quarter of 2012 with a profit before exceptional items and tax of £1,218,000 (2011 full year £10,652,000) and achieving a healthy return on assets. Turnover for the first quarter of 2012 was £21,437,000 (2011 full year £95,331,000). On 31 March 2012 Ryder Limited acquired the trade, assets and liabilities of the Company at book value, as part of the continuing integration of the ongoing business into the Ryder Group. In order to recognise the differing accounting policies and book values between the Company and Ryder Limited an exceptional expense of £7,809,000 has been recognised in writing down the value of the net assets transferred to Ryder Limited. This exceptional charge resulted in a loss before tax of £6,591,000 (2011 full year profit £10,652,000).

The Company's business was made up of elements that were both transactional (i.e. rental) and longer term in their contractual nature (contract hire, and fleet management). The key business strategy of the Company, (continuing within Ryder Limited) is to leverage its people, processes and systems with continued support from our ultimate parent Ryder System Inc, to provide innovative cost effective solutions for the pan-European transportation market.

#### **Future developments**

The Company will not trade for the foreseeable future.

#### **Principal risks and uncertainties**

The Company's operational risks included maintenance, health and safety and disaster recovery specifically around technology. The Company invested in the policies, procedures and people to ensure that its customers' vehicles are maintained to the highest standards, which are reviewed by an independent internal audit group. The management of health and safety risk includes a dedicated health and safety team, risk assessments and operational standard procedures.

In addition the Company utilised proactive safety systems, which are monitored by online reporting systems and site audits, to ensure that it achieves the highest standard of safety for its employees and customers. Proactive management of health and safety issues continues to develop within the global business.

## **Hill Hire Limited (formerly Hill Hire Plc)**

### **Directors' report (continued)**

#### **Year ended 31 December 2012**

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##### **Principal risks and uncertainties (continued)**

The Company's key commercial risks included unprofitable contracts, bad debt and asset utilisation. These risks are mitigated by strong internal controls. Potential new business undergoes a comprehensive profit study with senior management review, while credit assessment was independently co-ordinated. The quality of existing credit was constantly monitored.

Asset management was monitored centrally with utilisation being a key measure. Decision-making was supported via an integrated operating system with timely management reporting.

##### **Financial risk management**

From a financial risk perspective the Company's management of debt finance and hence interest rate risk was co-ordinated via the treasury department of the Company's ultimate parent undertaking, Ryder System Inc (incorporated in Florida, USA, and whose financial statements are publicly available), who are able to utilise debt markets available to the larger group. The two relevant risks were liquidity and interest rate risk.

The Company actively maintained a mixture of long-term and short-term debt finance that were designed to ensure the Company has sufficient available funds for operations and planned expansions. Credit lines are available via a global revolving credit facility provided via the parent company and other group financing arrangements.

The Company had both interest bearing assets and interest bearing liabilities. Interest bearing assets included only bank account balances, which earned interest at variable rates. The Company reviewed the debt mixture of fixed rate and variable rate regularly.

##### **Key performance indicators**

KPI's used to monitor the performance of the business included the following:

- Turnover,
- Contract Contribution,
- Costs Per unit,
- Revenue Per Unit,
- Return On Capital,
- Project Return (IRR & NPV),
- Asset Utilisation,
- Bad Debt Provision,
- Health & Safety statistics,
- Employee headcount, turnover and absence,
- Service Levels with customers, and
- Service Levels with suppliers

Financial performance measures were compared to plan and prior year on a regular basis.

##### **Dividend**

No interim dividend was declared (2011: £nil). The directors recommend the payment of a final dividend of £12,760,000 (2011: £nil).

##### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

David Hunt  
Sanford Hodes  
Braden Moll

# **Hill Hire Limited (formerly Hill Hire Plc)**

## **Directors' report (continued)**

### **Year ended 31 December 2012**

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#### **Directors' indemnities**

The Company maintained liability insurance for its directors and officers throughout the year and up to the date of approval of these financial statements

#### **Charitable and political contributions**

Charitable donations of £nil were made during the year (2011 £nil) No political contributions were made during the year under review (2011 £nil)

#### **Employment policy**

The Company endeavoured to keep its employees fully informed on matters of concern to them as employees and encouraged employee involvement and initiatives to improve the Company's services and performance. This was achieved through a structured communication programme for the whole organisation including the publication of a bi-annual corporate magazine entitled On the Move, and quarterly updates via a newsletter, which included financial metrics. The annual management meeting and quarterly management conference calls reinforce this communication programme as each manager participating receives collateral to brief their teams on the core messages, results and news affecting the business.

#### **Disabled persons**

Applications for employment by disabled persons are fully considered, bearing in mind the abilities of the applicant concerned. Health and safety matters are given special attention by the directors and wherever possible continued employment will be offered to members of staff who become disabled. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### **Pensions**

The Company operated a defined contribution plan available to all staff.

#### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board on

David Hunt  
Director  
Hill Hire Limited (Registered number 02506613)  
Unit 1-3, Prince Maurice Court  
Hambleton Avenue  
Devizes, SN10 2RT

## **Hill Hire Limited (formerly Hill Hire Plc)**

### **Directors' report (continued)**

**Year ended 31 December 2012**

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By order of the board on



30 September 2013

David Hunt

Director

Hill Hire Limited (Registered number 02506613)

Unit 1-3, Prince Maurice Court

Hambleton Avenue

Devizes, SN10 2RT

## Hill Hire Limited (formerly Hill Hire Plc)

### Statement of directors' responsibilities

Year ended 31 December 2012

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#### 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board on 30 September 2013



David Hunt  
Director  
Hill Hire Limited (Registered number 02506613)

## **Hill Hire Limited (formerly Hill Hire Plc)**

### **Independent auditors' report to the members of Hill Hire Limited (formerly Hill Hire Plc) (continued)**

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We have audited the financial statements of Hill Hire Limited (formerly Hill Hire Plc) for the year ended 31 December 2012 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Cash flow statement, and the related notes. 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out on page 6 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Hill Hire Limited (formerly Hill Hire Plc)**

### **Independent auditors' report to the members of Hill Hire Limited (formerly Hill Hire Plc) (continued)**

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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

Nicholas Gower (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
Date 30 September 2013

**Hill Hire Limited (formerly Hill Hire Plc)****Statement of comprehensive income****Year ended 31 December 2012**

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	Note	2012 £'000	2011 £'000
Revenue	2	21,437	95,331
Cost of sales		<u>(16,789)</u>	<u>(70,463)</u>
Gross profit		4,648	24,868
Administrative expenses		(611)	(8,048)
Administrative expenses - exceptional items	3	<u>(7,809)</u>	-
		(8,420)	
Finance costs	6	<u>(2,819)</u>	<u>(6,168)</u>
(Loss)/profit before tax		(6,591)	10,652
Income tax expenses	8	<u>(216)</u>	<u>(2,483)</u>
(Loss)/profit after tax being total comprehensive income		<u>(6,807)</u>	<u>8,169</u>

The notes on pages 13 to 23 form part of the financial statements

All of the results presented above derive from discontinued activities

There are no recognised gains or losses other than those shown in the income statement

# Hill Hire Limited (formerly Hill Hire Plc)

## Balance sheet

Year ended 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	-	147,802
Finance lease receivable	11	-	10,917
<b>Total non-current assets</b>		-	158,719
<b>Current assets</b>			
Inventories	10	-	2,217
Trade and other receivables	11	-	25,785
Amounts due from group undertaking		12,760	-
Cash and cash equivalents		-	4,376
<b>Total current assets</b>		12,760	32,378
<b>Total assets</b>		12,760	191,097
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred taxation	13	-	1,725
Other creditors	13	-	626
<b>Total non-current liabilities</b>		-	2,351
<b>Current liabilities</b>			
Trade and other payables	12	-	20,713
Amounts due to group undertaking		-	147,443
Current taxation		-	1,023
<b>Total current liabilities</b>		-	169,179
<b>Total liabilities</b>		-	171,530
<b>Capital and reserves</b>			
Share capital	14	-	3,096
Share premium account		-	9,695
Retained earnings		12,760	6,776
<b>Total equity</b>		12,760	19,567
<b>Total equity and liabilities</b>		12,760	191,097

The notes on pages 13 to 23 form an integral part of these financial statements

The financial statements on pages 9 to 23 were approved by the board of directors on

30 September 2013

  
David Hunt  
Director

Hill Hire Limited - registered number 02506613

**Hill Hire Limited (formerly Hill Hire Plc)****Statement of changes in equity****Year ended 31 December 2012**

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	Note	Share Capital £'000	Share Premium Account £'000	Retained earnings £'000	Total £'000
At 1 January 2012		3,096	9,695	6,776	19,567
Share capital reduction	14	(3,096)	(9,695)	12,791	-
Loss for the year		-	-	(6,807)	(6,807)
At 31 December 2012		-	-	12,760	12,760

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**Hill Hire Limited (formerly Hill Hire Plc)****Cash flow statement****Year ended 31 December 2012**

	Note	2012 £'000	2011 £'000
<b>Cash flow statement</b>			
Cash flow from operating activities	15a	13,003	52,583
Interest paid		(2,819)	(6,168)
Taxation		-	(9,338)
<b>Net cash flow from operating activities</b>		<b>10,184</b>	<b>37,077</b>
<b>Net cash used in investing activities</b>	15b	<b>(7,379)</b>	<b>(31,631)</b>
<b>Cash flow financing activities</b>			
Repayment of net borrowings		(7,181)	(2,336)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,376)</b>	<b>3,110</b>
Cash and cash equivalents at 1 January		4,376	1,266
<b>Cash and cash equivalents at 31 December</b>		<b>-</b>	<b>4,376</b>

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements

### Year ended 31 December 2012

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#### 1 Principal accounting policies

The following accounting policies have been consistently applied to all periods unless otherwise stated

##### Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with International Financial reporting standards ("IFRSs") as adopted by the European Union and interpretations issued by the international Reporting Interpretations Committee ("IFRIC")

The following new IFRS pronouncements, where relevant to the have been adopted in these financial statements

- I Improvement to the IFRSs (issued May 2010), this sets out the minor changes amendments to the IFRS as part of the annual improvements process. Most amendments clarified the existing practice. The application of these new interpretations has not had any impact for amounts recognised in these financial statements
- II IAS 24 "Related party disclosures". The amendment simplifies the definition of a related party and provides partial exemption from the disclosure requirement for government related entities

##### Financial assets and liabilities

Financial assets comprise cash and cash equivalents, finance lease receivables, amounts due from group undertaking and other current assets. Financial liabilities comprise of amounts due to group undertaking and other liabilities

Financial assets and liabilities are recognised when the Company become party to the contractual provision of the instrument. Financial assets and liabilities are derecognised when the rights to receive cashflows, or obligations to pay cashflows have expired,

##### Revenue

Revenue represents amounts net of trade discounts and rebates derived from the provision of transportation services (including commercial vehicle rental, contract hire, fleet management and supply chain solutions) and goods supplied in the UK & Ireland and the rest of Europe during the year, excluding Value Added Tax. Turnover is recognised as contractual services are provided or goods sold, and when the amount of turnover can be measured reliably, and receipt of payment is probable

##### Depreciation and amortisation

Tangible fixed assets are stated at cost. Cost comprises purchase price and, in the case of property, professional fees incurred on acquisition. No depreciation is provided on freehold land. Depreciation of revenue earning vehicles is calculated to write down the vehicles to their estimated residual value over the length of the lease term ranging from three to ten years on a straight line basis

Depreciation of other fixed assets, excluding freehold land, is calculated to write off the cost to residual value by equal annual instalments over their expected useful economic lives, also on a straight-line basis

The estimated useful lives are

Freehold and leasehold buildings	- thirty to forty years, or the period of the lease where shorter
Plant and equipment	- two to four years
Operating lease assets	- two to ten years

The useful lives of the assets and their residual values are periodically reviewed at least annually and adjusted when appropriate

## **Hill Hire Limited (formerly Hill Hire Plc)**

### **Notes to the financial statements (continued)**

#### **Year ended 31 December 2012**

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##### **1. Principal accounting policies (continued)**

###### **Leasing of equipment**

- (1) Lessee accounting - Lease agreements for revenue earning vehicles, service vehicles and office equipment under finance leases that confer rights and obligations similar to those of owned assets are included in the amounts shown in fixed assets in the balance sheet under their respective headings. The assets are depreciated over the shorter of the lease term or their useful economic lives. The interest element of the leasing cost is amortised so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period. The rental costs of other leased assets are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

Future instalments under finance leases, net of finance charges are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the Statement of comprehensive income, and the capital element, which reduces the outstanding obligation for future instalments.

- (2) Lessor accounting - The rentals receivable under full service operating lease agreements with customers are taken to profit as they fall due over the term of the leases. Assets used in full service operating lease agreements are recorded in the balance sheet as tangible fixed assets and depreciated over their expected useful economic lives or the term of the lease, whichever is shorter. The cost of assets hired out under finance leases are excluded from the balance sheet and an appropriate debtor is recognised instead. Rentals from finance leases are split between capital repayments and interest so as to produce a constant periodic rate of return on the remaining balance of the receivable amount for each accounting period.

###### **Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling and recorded at the average rate of exchange. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date, and the gains or losses on translation are included in the Statement of comprehensive income.

###### **Pension cost - defined contribution**

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amount charged to the statement of comprehensive income represents the contributions payable to the schemes in respect of the accounting period.

###### **Exceptional items**

Items that derive from events or transactions that fall within the ordinary activities of the Company and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view. The directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance. Events, which may give rise to, the classification of items as exceptional include, but are not restricted to, restructuring of the business, and profits or losses on disposals of fixed assets.

###### **Inventory**

Stocks are stated at the lower of cost and net realisable value and consist of fuel, parts and finished goods for resale. Cost is determined on a first in, first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 1. Principal 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary

##### Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

#### 2. Revenue by origin

	2012	2011
	£'000	£'000
UK and Ireland	<u>21,437</u>	<u>95,331</u>

The directors consider the Company to have only a single class of business

There is no material difference between the origin and destination of turnover



# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 3. Exceptional items

On 31 March 2012 Ryder Limited acquired the trade, assets and liabilities of the Company at book value, as part of the continuing integration of the ongoing business into the Ryder Group

In order to recognise the differing accounting policies and book values between the Company and Ryder Limited an exceptional expense of £7,809,000 has been recognised in writing down the value of the net assets transferred to Ryder Limited

Summary of net assets transferred to Ryder Limited	Fair Value £'000
Tangible fixed assets	138,782
Stocks	436
Debtors	28,434
Creditors	(14,781)
Provisions – property dilapidations	(650)
Deferred taxation	1,891
Cash	778
Net assets transferred	<u>154,890</u>
Consideration satisfied by settlement of amount owed to group undertaking	<u>154,890</u>

#### 4. Employee numbers and costs

The average monthly number of persons (including directors) employed by the company during the year until 31 March 2012 was

	2012 Number	2011 Number
Drivers, warehouse, maintenance and admin	<u>245</u>	<u>284</u>
	2012 £'000	2011 £'000
The aggregate payroll costs of these persons were as follows		
Wages and salaries	1,575	8,612
Social security costs	222	1,018
Other pension costs	20 9	96
	<u>1,806</u>	<u>9,726</u>

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 5. Directors remuneration

	2012 £'000	2011 £'000
Aggregate emoluments	-	404
Company contributions to money purchase pension schemes	-	14
Charge from immediate parent for contribution to final salary pension scheme	-	15
	<u>-</u>	<u>433</u>

The remuneration of the highest paid director (excluding pension contributions) was £nil (2011 £117,000), and Company contributions of £nil (2011 £5,000) were made to a money purchase pension scheme on his behalf

The directors did not receive any emoluments in respect of their services to the company in the current year

During the year no (2011 one) director was accruing pension benefits under a defined benefit scheme operated by the previous parent undertaking

#### 6. Finance costs

	2012 £'000	2011 £'000
Interest payable		
Interest payable to fellow subsidiary undertakings	<u>2,819</u>	<u>6,175</u>
	2,819	6,175
Interest receivable		
Bank deposit interest	-	(7)
	<u>2,819</u>	<u>6,168</u>

#### 7 (Loss)/profit before taxation

	2012 £'000	2011 £'000
This is stated after charging/(crediting)		
Depreciation of Property plant & equipment	6,157	33,963
Profit on sale of fixed assets	(715)	(3,116)
Audit fees	19	92

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 8 Income tax expenses

	2012	2011
	£'000	£'000
(a) Tax charge based on the loss/profit for the year on ordinary activities		
Current tax		
Corporation tax on loss/profit for the year	65	6,118
Adjustments in respect of prior years	<u>1</u>	<u>-</u>
	66	6,118
Deferred tax		
Origination/reversal of timing differences	232	(2,895)
Impact of changes in rates of corporation tax	(68)	(370)
Adjustments in respect of prior years	<u>(14)</u>	<u>(370)</u>
Total deferred tax charge/(credit)	150	(3,635)
	<u>216</u>	<u>2,483</u>
Tax on loss/profit on ordinary activities		
(b) Factors affecting the tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below		
	2012	2011
	£'000	£'000
Current tax reconciliation		
(Loss)/profit before tax	<u>(6,591)</u>	<u>10,652</u>
Tax on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.0% (2011: 26.5%)	(1,714)	2,823
Effects of		
Expenses not deductible for corporation tax purposes	2,031	66
Adjustments in respect of prior years	(13)	(370)
Impact of changes in rates of corporation tax	<u>(88)</u>	<u>(36)</u>
Total tax charge for the year	<u>216</u>	<u>2,483</u>

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 8. Income tax expenses (continued)

##### (c) Factors that may affect future tax charges

As the entire trade and assets of the company were transferred to Ryder Limited on 31 March 2012, the Company is not expected to incur tax charges in the foreseeable future

#### 9 Property, plant and equipment

	Freehold and leasehold buildings £'000	Plant and equipment £'000	Operating lease assets £'000	Total £'000
Cost				
Balance at 1 January 2012	14,149	7,360	344,936	366,445
Additions	-	62	6,507	6,569
Disposals	(20)	(33)	(2,068)	(2,121)
Transfer to parent undertaking	(14,129)	(7,389)	(349,375)	(370,893)
<b>Balance at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accumulated depreciation				
Balance at 1 January 2012	3,314	6,817	208,512	218,643
Depreciation charges	29	52	6,076	6,157
Disposals	(20)	(29)	(400)	(449)
Transfer to parent undertaking	(3,323)	(6,840)	(214,188)	(224,351)
<b>Balance at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net book value at 1 January 2012	10,835	543	136,424	147,802

**Hill Hire Limited (formerly Hill Hire Plc)****Notes to the financial statements (continued)****Year ended 31 December 2012****10. Inventories**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Consumables	<u>-</u>	<u>2,217</u>

**11. Trade and other receivables**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year		
Trade receivable	-	15,930
Finance lease receivable	-	7,314
Prepayments and accrued income	<u>-</u>	<u>2,541</u>
	-	25,785
Amounts falling due after one year		
Finance lease receivable	-	10,917
	<u>-</u>	<u>36,702</u>

Amounts due from parent and fellow subsidiary undertakings are unsecured and repayable on demand  
No interest is charged on these amounts

The cost of assets held for the purpose of letting under finance leases is £nil (2011 £36,064,000) The cost of assets acquired in the year for the purpose of letting under finance leases was £nil (2011 £3,674,000)

**12. Trade and other payables**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year		
Trade payables	-	7,077
Taxation and social security	-	1,378
Accruals and deferred income	<u>-</u>	<u>12,258</u>
	-	20,713

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 13. Provisions for liabilities

	Deferred taxation £'000	Other creditors £'000	Total £'000
At 1 January 2012	1,725	626	2,351
Charge for year in the profit and loss account	150	24	174
Transferred to parent undertaking	(1,875)	(650)	(2,525)
At 31 December 2012	-	-	-

Other provisions related to dilapidation costs expected to be incurred within 19 years

The deferred tax provided consists of the following

	2012 £'000	2011 £'000
Difference between accumulated depreciation and capital allowances	-	1,739
Other timing differences	-	(14)
Total provision for deferred tax	-	1,725

#### 14. Share capital

	2012 £'000	2011 £'000
Authorised		
38,450,000 (2011 38,450,000) ordinary shares of £0.10 each	3,845	3,845
Issued, called up and fully paid		
1 (2011 30,960,908) ordinary shares of £0.10 each	-	3,096

On 27 March 2012 the Company reduced its share capital using the solvency statement procedure permitted under the Companies Act 2006

The issued share capital of the Company was reduced from 30,960,908 ordinary shares of £0.10 each to 1 ordinary share of £0.10, and the share premium account was reduced from £9,695,000 to £nil, with the balance arising from the reductions being transferred directly to the Statement of comprehensive income as permitted by article 3(2) of the Companies (Reduction of Share Capital) Order 2008

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

#### 15. Cash flow

	2012 £'000	2011 £'000
(a) Cash generated from operations		
(Loss)/profit before tax	(6,591)	10,652
Exceptional write off on transfer to parent undertaking (Note 3)	7,809	-
Interest expense	2,819	6,168
Depreciation	6,157	33,963
Movement in debtors	415	4,945
Movement in creditors	3,129	160
Movement in inventory	(20)	(189)
Profit on sales of property, plant and equipment	(715)	(3,116)
Cash from operating activities	<u>13,003</u>	<u>52,583</u>
(b) Analysis of cash flows		
	2012 £'000	2011 £'000
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,766)	(52,167)
Sale of tangible fixed assets	<u>2,387</u>	<u>20,536</u>
	<u>(7,379)</u>	<u>(31,631)</u>

#### 16. Commitments

Capital commitments for the Company at 31 December for which no provision has been made in these financial statements were as follows

	2012 £'000	2011 £'000
Contracted and authorised		
Vehicle purchases	<u>-</u>	<u>8,665</u>

The Company's total future minimum lease payments under non-cancellable operating leases were as follows

	2012			2011		
	Land and buildings £'000	Other £'000	Total £'000	Land and buildings £'000	Other £'000	Total £'000
Operating leases which expire						
Within one year	-	-	-	70	60	130
Between one and five years	-	-	-	828	612	1,440
After five years	-	-	-	2,703	-	2,703
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,601</u>	<u>672</u>	<u>4,273</u>

# Hill Hire Limited (formerly Hill Hire Plc)

## Notes to the financial statements (continued)

### Year ended 31 December 2012

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#### 17. Contingent liabilities

There were no contingent liabilities noted for the Company at 31 December 2012 (2011 £nil)

#### 18. Related party disclosure

As the Company is a wholly owned subsidiary of Ryder System Inc , the Company has taken advantage of the exemption contained in IAS 24 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Ryder System Inc , within which this Company is included, can be obtained from the address given in note 19.

#### 19. Parent undertaking

Ryder Limited, incorporated in England and Wales, is the immediate parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Ryder Limited are available from the Company Secretary, Ryder Limited, Unit 1-3, Prince Maurice Court, Hambleton Avenue, Devizes, SN10 2RT.

Ryder System Inc , incorporated in the State of Florida, U S A is the ultimate parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Ryder System Inc are available from Group Director Investor Relations, Ryder System Inc , 11690 NW 105th Street, Miami, Florida, 33178, U S A.

#### 20. Pension scheme

##### Defined contribution schemes

The pension cost charge for the year, representing contributions payable by the Company to the schemes, amounted to

	2012 £'000	2011 £'000
Contributions payable	<u>9</u>	<u>96</u>

At the end of the year a balance of £nil (2011 £nil) was due to the pension schemes.