

# REGISTRAR OF COMPANIES

Report of the Directors and  
Financial Statements  
for the Year Ended 31 July 2006  
for  
Hire One Limited

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COMPANIES HOUSE

**Hire One Limited**

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for the Year Ended 31 July 2006**

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**Hire One Limited**

**Company Information  
for the Year Ended 31 July 2006**

**DIRECTORS:**

K J Latham  
P J Mason  
I J Stevens

**SECRETARY:**

P J Mason

**REGISTERED OFFICE:**

Cardiff Road  
Mwyndy Cross Industries  
Llantrisant  
Pontyclun  
Rhondda Cynon Taff  
CF72 8PN

**REGISTERED NUMBER:**

04277104 (England and Wales)

**AUDITORS:**

Broomfield & Alexander Limited  
Registered Auditors  
Chartered Accountants  
Pendragon House  
Caxton Place  
Pentwyn  
Cardiff  
CF23 8XE

## Hire One Limited

### Report of the Directors for the Year Ended 31 July 2006

The directors present their report with the financial statements of the company for the year ended 31 July 2006.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the hire of plant and machinery.

#### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

We are pleased to report pre tax profits of £129,090 on a turnover of £3,394,612 (10 months to July 2005 £113,295 and £2,912,933).

We consider the principal business risk at Hire One to be the loss of a major customer which could adversely affect trading, to counteract this we have vigorously pursued a sales strategy of continuing to spread our customer base both geographically and financially.

The company is continuing its policy to reinvest in new plant and equipment and purchased £1,035,843 of plant and equipment during the year, allowing the hire fleet to remain current, reducing servicing costs, and meeting customer requirements.

The company remains in a financially strong position at the year end with net assets of £729,870 (£612,087:2005).

The company will continue its policy of pursuing additional sales and reinvesting in up to date equipment.

In November 2006 the company were accredited with Green Dragon Level 2 environmental award, this is in addition to the company's previous awards of ISO 9001:2000 and Investors in People.

#### DIVIDENDS

No dividends will be distributed for the year ended 31 July 2006.

#### DIRECTORS

The directors during the year under review were:

K J Latham  
P J Mason  
I J Stevens

The directors holding office at 31 July 2006 did not hold any beneficial interest in the issued share capital of the company at 1 August 2005 or 31 July 2006.

#### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company donated £1,665 (2005: £3,235) for charitable purposes.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The directors are responsible for keeping proper accounting records which 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. 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.

#### 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 234ZA of the Companies Act 1985) of which the company'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 company's auditors are aware of that information.


Hire One Limited

Report of the Directors  
for the Year Ended 31 July 2006

**AUDITORS**

The auditors, Broomfield & Alexander Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



.....  
P J Mason - Secretary

Date: .....

20/12/2006

**Report of the Independent Auditors to the Shareholders of  
Hire One Limited**

We have audited the financial statements of Hire One Limited for the year ended 31 July 2006 on pages five to seventeen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of 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. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if 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 Report of the Directors 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.

**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 31 July 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

*Broomfield & Alexander Limited*

Broomfield & Alexander Limited  
Registered Auditors  
Chartered Accountants  
Pendragon House  
Caxton Place  
Pentwyn  
Cardiff  
CF23 8XE

Date: *2 January 2007*

Hire One Limited

**Profit and Loss Account  
for the Year Ended 31 July 2006**

		Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
	Notes		
<b>TURNOVER</b>		3,394,612	2,912,433
Cost of sales		2,223,044	1,891,174
<b>GROSS PROFIT</b>		1,171,568	1,021,259
Administrative expenses		895,213	783,137
		276,355	238,122
Other operating income		22,813	9,453
<b>OPERATING PROFIT</b>	3	299,168	247,575
Interest payable and similar charges	4	170,078	134,280
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		129,090	113,295
Tax on profit on ordinary activities	5	11,307	27,548
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		117,783	85,747

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period.

Hire One Limited

Balance Sheet  
31 July 2006

	Notes	2006 £	£	2005 £	£
<b>FIXED ASSETS</b>					
Tangible assets	6		2,656,830		2,884,101
<b>CURRENT ASSETS</b>					
Stocks	7	62,809		55,396	
Debtors	8	667,167		662,360	
		<u>729,976</u>		<u>717,756</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>1,657,519</u>		<u>2,098,251</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(927,543)</u>		<u>(1,380,495)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,729,287		1,503,606
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		(959,720)		(851,724)
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>(39,697)</u>		<u>(39,795)</u>
<b>NET ASSETS</b>			<u>729,870</u>		<u>612,087</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		150,000		150,000
Profit and loss account	16		<u>579,870</u>		<u>462,087</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u>729,870</u>		<u>612,087</u>

The financial statements were approved by the Board of Directors on 20/12/2006 and were signed on its behalf by:

  
.....  
Director



Hire One Limited

**Cash Flow Statement  
for the Year Ended 31 July 2006**

	Notes	Year Ended 31.7.06 £	£	Period 1.10.04 to 31.7.05 £	£
Net cash inflow from operating activities	1		823,887		1,181,125
Returns on investments and servicing of finance	2		(170,078)		(134,280)
Taxation			(59,268)		(44,079)
Capital expenditure	2		(547,192)		(1,005,227)
Equity dividends paid			-		(45,000)
			47,349		(47,461)
Financing	2		(56,138)		(56,729)
Decrease in cash in the period			<u>(8,789)</u>		<u>(104,190)</u>

**Reconciliation of net cash flow  
to movement in net debt**

	3		
Decrease in cash in the period		(8,789)	(104,190)
Cash outflow from decrease in debt and lease financing		<u>56,137</u>	<u>56,729</u>
Change in net debt resulting from cash flows		47,348	(47,461)
Movement in net debt in the period		47,348	(47,461)
Net debt at 1 August		<u>(1,752,410)</u>	<u>(1,704,949)</u>
Net debt at 31 July		<u>(1,705,062)</u>	<u>(1,752,410)</u>

Hire One Limited

Notes to the Cash Flow Statement  
for the Year Ended 31 July 2006

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
Operating profit	299,168	247,575
Depreciation charges	1,038,141	881,738
Profit on disposal of fixed assets	(263,677)	(76,411)
Increase in stocks	(7,413)	(19,174)
Increase in debtors	(4,807)	(83,025)
(Decrease)/Increase in creditors	(237,525)	230,422
<b>Net cash inflow from operating activities</b>	<b>823,887</b>	<b>1,181,125</b>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(51,673)	(24,748)
Interest element of hire purchase payments	(118,405)	(109,532)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(170,078)</b>	<b>(134,280)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(1,083,502)	(1,197,013)
Sale of tangible fixed assets	536,310	191,786
<b>Net cash outflow for capital expenditure</b>	<b>(547,192)</b>	<b>(1,005,227)</b>
<b>Financing</b>		
New loans in year	199,588	-
Capital repayments in year	(255,726)	(56,729)
<b>Net cash outflow from financing</b>	<b>(56,138)</b>	<b>(56,729)</b>

Hire One Limited

Notes to the Cash Flow Statement  
for the Year Ended 31 July 2006

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.05 £	Cash flow £	At 31.7.06 £
Net cash:			
Cash at bank	-	-	-
Bank overdraft	(202,317)	(8,789)	(211,106)
	<u>(202,317)</u>	<u>(8,789)</u>	<u>(211,106)</u>
Debt:			
Hire purchase	(1,550,093)	255,726	(1,294,367)
Debts falling due within one year	-	(15,277)	(15,277)
Debts falling due after one year	-	(184,312)	(184,312)
	<u>(1,550,093)</u>	<u>56,137</u>	<u>(1,493,956)</u>
Total	<u>(1,752,410)</u>	<u>47,348</u>	<u>(1,705,062)</u>

# Hire One Limited

## Notes to the Financial Statements for the Year Ended 31 July 2006

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Turnover

Turnover represents net invoiced sales of goods and services from ordinary activities, excluding value added tax.

#### Tangible fixed assets

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

Plant & machinery	- 25% - 50% on cost
Furniture & fittings	- 25% - 50% on cost
Motor vehicles	- 33% on cost
Office equipment	- 25% - 50% on cost

#### Stocks

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

#### Deferred tax

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

#### 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 the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### Pensions

The company operates a group personal pension scheme. Contributions payable for the period are charged in the profit and loss account.

### 2. STAFF COSTS

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
Wages and salaries	753,057	594,943
Social security costs	68,537	54,893
Other pension costs	7,135	7,732
	<u>828,729</u>	<u>657,568</u>

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

	Year Ended 31.7.06	Period 1.10.04 to 31.7.05
Administration	6	5
Directors	3	3
Direct Staff	25	23
	<u>34</u>	<u>31</u>

Hire One Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2006

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
Hire of plant and machinery	336,926	262,729
Depreciation - owned assets	453,243	438,903
Depreciation - assets on hire purchase contracts	584,897	442,834
Profit on disposal of fixed assets	(263,677)	(76,411)
Auditors' remuneration	6,000	6,180
	<u>162,331</u>	<u>131,806</u>
Directors' emoluments		
	<u>162,331</u>	<u>131,806</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
Bank interest	4,401	3,487
Bank loan interest	8,445	-
Invoice discounting interest	25,864	21,261
Other Loan Interest	12,963	-
Hire purchase interest & charges	118,405	109,532
	<u>170,078</u>	<u>134,280</u>

5. TAXATION

Analysis of the tax charge

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

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
Current tax:		
UK corporation tax	13,055	60,918
Overprovision in prior year	(1,650)	(14,389)
Total current tax	<u>11,405</u>	<u>46,529</u>
Deferred tax	<u>(98)</u>	<u>(18,981)</u>
Tax on profit on ordinary activities	<u>11,307</u>	<u>27,548</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 July 2006**

**5. TAXATION - continued****Factors affecting the tax charge**

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

	Year Ended 31.7.06 £	Period 1.10.04 to 31.7.05 £
Profit on ordinary activities before tax	<u>129,090</u>	<u>113,295</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 30%)	24,527	33,989
Effects of:		
Depreciation in excess of Capital Allowances	33,869	51,162
Expenses not deductible for tax purposes	4,758	9,311
Profit on disposal of fixed assets	(50,099)	(22,923)
Marginal Relief	-	(10,621)
Overprovision in prior year	<u>(1,650)</u>	<u>(14,389)</u>
Current tax charge	<u>11,405</u>	<u>46,529</u>

**6. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 August 2005	245,000	4,587,689	63,646
Additions	-	1,035,843	-
Disposals	-	(1,110,862)	-
At 31 July 2006	<u>245,000</u>	<u>4,512,670</u>	<u>63,646</u>
<b>DEPRECIATION</b>			
At 1 August 2005	-	2,146,471	22,197
Charge for year	-	947,291	11,761
Eliminated on disposal	-	(838,521)	-
At 31 July 2006	<u>-</u>	<u>2,255,241</u>	<u>33,958</u>
<b>NET BOOK VALUE</b>			
At 31 July 2006	<u>245,000</u>	<u>2,257,429</u>	<u>29,688</u>
At 31 July 2005	<u>245,000</u>	<u>2,441,218</u>	<u>41,449</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2006**

**6. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>			
At 1 August 2005	345,887	57,104	5,299,326
Additions	46,650	1,009	1,083,502
Disposals	(42,694)	-	(1,153,556)
At 31 July 2006	<u>349,843</u>	<u>58,113</u>	<u>5,229,272</u>
<b>DEPRECIATION</b>			
At 1 August 2005	205,443	41,114	2,415,225
Charge for year	73,482	5,606	1,038,140
Eliminated on disposal	(42,402)	-	(880,923)
At 31 July 2006	<u>236,523</u>	<u>46,720</u>	<u>2,572,442</u>
<b>NET BOOK VALUE</b>			
At 31 July 2006	<u>113,320</u>	<u>11,393</u>	<u>2,656,830</u>
At 31 July 2005	<u>140,444</u>	<u>15,990</u>	<u>2,884,101</u>

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

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 August 2005	2,552,984	250,208	2,803,192
Additions	793,754	46,650	840,404
Transfer to ownership	(481,353)	(163,729)	(645,082)
At 31 July 2006	<u>2,865,385</u>	<u>133,129</u>	<u>2,998,514</u>
<b>DEPRECIATION</b>			
At 1 August 2005	1,050,082	124,533	1,174,615
Charge for year	554,445	30,452	584,897
Transfer to ownership	(481,353)	(99,319)	(580,672)
At 31 July 2006	<u>1,123,174</u>	<u>55,666</u>	<u>1,178,840</u>
<b>NET BOOK VALUE</b>			
At 31 July 2006	<u>1,742,211</u>	<u>77,463</u>	<u>1,819,674</u>
At 31 July 2005	<u>1,502,902</u>	<u>125,675</u>	<u>1,628,577</u>

**7. STOCKS**

	2006 £	2005 £
Stocks	<u>62,809</u>	<u>55,396</u>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Trade debtors	579,552	548,504
Other debtors	36,548	40,657
Amounts due from parent company	36,323	60,214
Prepayments and accrued income	14,744	12,985
	<u>667,167</u>	<u>662,360</u>

Hire One Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2006

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts (see note 11)	226,383	202,317
Hire purchase contracts (see note 12)	702,532	911,272
Trade creditors	364,791	194,202
Corporation tax	13,055	60,918
Social security and other taxes	31,641	92,710
Invoice discounting funds advanced	223,230	219,102
Amounts due to parent company	4,976	359,823
Amounts due to connected company	32,161	32,097
Accruals and deferred income	58,750	25,810
	<u>1,657,519</u>	<u>2,098,251</u>

Included in trade creditors is an amount of £51,250 (2005: £nil) relating to the purchase of fixed assets, this amount was financed by hire purchase contracts post year end.

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

	2006	2005
	£	£
Bank loans (see note 11)	184,312	-
Hire purchase contracts (see note 12)	591,835	638,821
Amount due to connected company	183,573	212,903
	<u>959,720</u>	<u>851,724</u>

The amounts due to connected companies is repayable over 10 years from August 2005. The loan bears interest of 2% p.a above base rate. The loan is unsecured.

11. LOANS

An analysis of the maturity of loans is given below:

	2006	2005
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	211,106	202,317
Bank loans	15,277	-
	<u>226,383</u>	<u>202,317</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	16,743	-
	<u>16,743</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	59,024	-
	<u>59,024</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	108,545	-
	<u>108,545</u>	<u>-</u>



Hire One Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2006

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2006	2005
	£	£
Net obligations repayable:		
Within one year	702,532	911,272
Between one and five years	591,835	638,821
	<u>1,294,367</u>	<u>1,550,093</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2006	2005	2006	2005
	£	£	£	£
Expiring:				
Between one and five years	29,000	29,000	2,775	2,775
In more than five years	45,000	45,000	-	-
	<u>74,000</u>	<u>74,000</u>	<u>2,775</u>	<u>2,775</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2006	2005
	£	£
Bank overdrafts	211,106	202,317
Bank loans	199,589	-
Hire purchase contracts	1,294,367	1,550,093
Invoice discounting	223,230	219,102
	<u>1,928,292</u>	<u>1,971,512</u>

Amounts owed on hire purchase agreements are secured against the assets to which they relate.

Amounts advanced on invoice discounting are secured by a debenture over all of the assets of the company.

The bank loan is secured by a first legal charge over the freehold land and buildings at Canal Road Aberdare and 183 Cardiff Road Newport.

An unlimited debenture dated 16th October 2001 from Hire One Limited.

14. PROVISIONS FOR LIABILITIES

	2006	2005
	£	£
Deferred tax	<u>39,697</u>	<u>39,795</u>
		Deferred tax
		£
Balance at 1 August 2005		39,795
The Origination and reversal of timing differences		13,536
Changes in tax rates		(13,634)
Balance at 31 July 2006		<u>39,697</u>

# Hire One Limited

## Notes to the Financial Statements - continued for the Year Ended 31 July 2006

### 15. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value: £1	2006 £	2005 £
250,000	Ordinary		<u>250,000</u>	<u>250,000</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2006 £	2005 £
150,000	Ordinary		<u>150,000</u>	<u>150,000</u>

### 16. RESERVES

	Profit and loss account £
At 1 August 2005	462,087
Profit for the year	<u>117,783</u>
At 31 July 2006	<u>579,870</u>

### 17. ULTIMATE PARENT COMPANY

The ultimate parent company is David Lewis Civil Engineering Limited, a company incorporated in the United Kingdom. The accounts for David Lewis Civil Engineering Limited are available from Mwyndy Estate, Pontyclun, Rhondda Cynon Taff, CF72 8XY.

### 18. CAPITAL COMMITMENTS

	2006 £	2005 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>26,800</u>

### 19. RELATED PARTY DISCLOSURES

During the year, the company made sales of £514,004 (2005: £648,883) to David Lewis Civil Engineering Limited and was charged rent of £45,000 (2005: £37,500). At the period end the balance due from David Lewis Civil Engineering Limited was £36,323 (2005: £60,214).

During the year end the company repaid a loan of £359,824 due to David Lewis Civil Engineering Limited.

During the period, the company charged £7,500 (2005: £7,500) to Knex Pipelines & Cables Limited for management charges, the company is related due to common shareholders. At the year end £7,500 was outstanding from Knex Pipelines & Cables Limited (2005:£15,000).

The company was charged rent of £Nil (2005:£36,250) from Jackson Properties Limited. Jackson Properties Limited is related due to common shareholders. At the year end the company owed Jackson Properties Limited £214,463 (2005: £245,000). This is a loan provided to Hire One Limited which is repayable over 7 years. The loan bears interest at 2% above the banks base rate and is unsecured.

### 20. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

Hire One Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2006

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	117,783	85,747
<b>Net addition to shareholders' funds</b>	<b>117,783</b>	<b>85,747</b>
Opening shareholders' funds	612,087	526,340
<b>Closing shareholders' funds</b>	<b>729,870</b>	<b>612,087</b>
Equity interests	729,870	612,087