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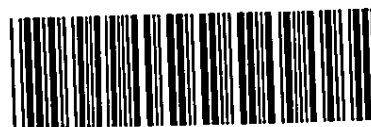
Company Registration No. 04277104 (England and Wales)

HIRE ONE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

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HIRE ONE LIMITED

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HIRE ONE LIMITED

COMPANY INFORMATION

Directors	P Mason K Latham
Secretary	P Mason
Company number	04277104
Registered office	Cardiff Road Mwyndy Cross Industrial Estate Llantrisant Pontyclun Rhondda Cynnon Taff CF72 8PN
Auditors	Broomfield & Alexander Limited Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB

HIRE ONE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2011

The directors present their report and financial statements for the year ended 31 July 2011

Principal activities and review of the business

The principal activity of the company continued to be that of the hire of plant and machinery

Despite continuing difficult trading conditions we are pleased to report pre tax profits of £188,708 (6%) on a turnover of £3,109,247 (year to 31 July 2010 £ 54,518 and £3,540,385 This profit has been achieved despite a reduction in sales and the extremely challenging trading conditions we are continuing to experience This result has been achieved by closely monitoring and reducing costs and being able to react quickly to the ever changing market conditions

The company is committed to further reduce costs and are forecasting a trading profit for the year to July 2012

The company retained its accreditation for ISO 9001 2008 during the year

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 August 2010

P Mason
K Latham

Charitable donations	2011 £	2010 £
During the year the company made the following payments		
Charitable donations	3,420	994

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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,
- 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

HIRE ONE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P Mason
Director



HIRE ONE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIRE ONE LIMITED

We have audited the financial statements of Hire One Limited for the year ended 31 July 2011 set out on pages 5 to 18. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, 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.

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 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 July 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

HIRE ONE LIMITED

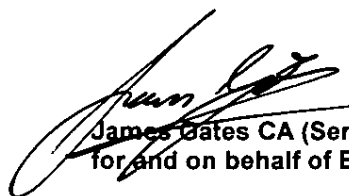
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HIRE ONE LIMITED

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



James Bates CA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited

Chartered Accountants
Statutory Auditor

8 January 2011

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

HIRE ONE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2011

	Notes	2011 £	2010 £
Turnover	2	3,109,247	3,540,385
Cost of sales		(1,942,186)	(2,534,907)
Gross profit		1,167,061	1,005,478
Administrative expenses		(715,428)	(708,678)
Other operating income		636	8,426
Operating profit	3	452,269	305,226
Interest payable and similar charges	4	(263,562)	(250,708)
Profit on ordinary activities before taxation		188,707	54,518
Tax on profit on ordinary activities	5	(51,570)	(15,662)
Profit for the year	15	137,137	38,856

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

HIRE ONE LIMITED

BALANCE SHEET

AS AT 31 JULY 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7		2,557,119		3,132,430
Current assets					
Stocks	8	13,176		13,586	
Debtors	9	550,577		609,419	
		563,753		623,005	
Creditors amounts falling due within one year	10	(1,799,299)		(2,161,466)	
Net current liabilities			(1,235,546)		(1,538,461)
Total assets less current liabilities			1,321,573		1,593,969
Creditors amounts falling due after more than one year	11		(451,910)		(801,443)
			869,663		792,526
Capital and reserves					
Called up share capital	14		150,000		150,000
Profit and loss account	15		719,663		642,526
Shareholders' funds	16		869,663		792,526

Approved by the Board and authorised for issue on 7/12/11


P Mason
Director

Company Registration No 04277104

HIRE ONE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2011

	2011	2010
£	£	£
Net cash inflow from operating activities	1,560,726	1,412,879
Returns on investments and servicing of finance		
Interest paid	(263,562)	(250,708)
Net cash outflow for returns on investments and servicing of finance	(263,562)	(250,708)
Taxation	(27,609)	(25,539)
Capital expenditure		
Payments to acquire tangible assets	(46,970)	(73,111)
Receipts from sales of tangible assets	440,852	187,641
Net cash inflow for capital expenditure	393,882	114,530
Equity dividends paid	(60,000)	(55,000)
Net cash inflow before management of liquid resources and financing	1,603,437	1,196,162
Financing		
Other new short term loans	14,605	27,716
Repayment of long term bank loan	(33,914)	(18,654)
Repayment of other long term loans	(33,666)	(24,091)
Repayment of other short term loans	-	(26,402)
Capital element of hire purchase contracts	(1,282,644)	(1,074,021)
Capital element of finance lease contracts	(111,732)	(149,415)
Net cash outflow from financing	(1,447,351)	(1,264,867)
Increase/(Decrease) in cash in the year	156,086	(68,705)

HIRE ONE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2011

1 Reconciliation of operating profit to net cash outflow from operating activities	2011	2010
	£	£
Operating profit	452,269	305,226
Depreciation of tangible assets	998,924	1,400,122
Profit on disposal of tangible assets	(212,846)	(66,811)
Decrease in stocks	410	22,828
Decrease in debtors	65,119	145,257
Increase/(decrease) in creditors within one year	256,850	(393,743)
Net cash inflow from operating activities	1,560,726	1,412,879

2 Analysis of net debt	1 August 2010	Cash flow	Other non-cash changes	31 July 2011
	£	£	£	£
Net cash				
Bank overdrafts	(215,958)	156,086	-	(59,872)
Bank deposits	-	-	-	-
Debt				
Finance leases	(1,630,430)	789,728	-	(840,702)
Debts falling due within one year	(37,080)	(14,605)	-	(51,685)
Debts falling due after one year	(349,228)	96,041	-	(253,187)
	(2,016,738)	871,164	-	(1,145,574)
Net debt	(2,232,696)	1,027,250	-	(1,205,446)

3 Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
Increase/(decrease) in cash in the year	156,086	(68,705)
Cash outflow from decrease in debt and lease financing	871,164	1,238,399
Movement in net debt in the year	1,027,250	1,169,694
Opening net debt	(2,232,696)	(3,402,390)
Closing net debt	(1,205,446)	(2,232,696)

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	20% - 50% on cost
Fixtures, fittings & equipment	25% - 50% on cost
Motor vehicles	20% - 33% on cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	998,924	1,400,122
	Auditors' remuneration	7,800	6,300
	and after crediting		
	Profit on disposal of tangible assets	(212,846)	(66,811)
		<u><u> </u></u>	<u><u> </u></u>
4	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	1,492	14,437
	On other loans wholly repayable within five years	20,254	14,020
	Hire purchase interest	228,466	207,537
	On amounts payable to factors	13,350	14,714
		<u><u> </u></u>	<u><u> </u></u>
		263,562	250,708
		<u><u> </u></u>	<u><u> </u></u>

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

5	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	57,847	117,005
	Total current tax	57,847	117,005
	Deferred tax		
	Origination and reversal of timing differences	(6,277)	(101,343)
		51,570	15,662
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	188,707	54,518
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	52,838	15,265
	Effects of		
	Expenses not deductible for tax purposes	865	1,248
	Depreciation add back	279,699	356,356
	Capital allowances	(212,539)	(235,870)
	Chargeable disposals	(59,801)	(18,701)
	Other tax adjustments	(3,215)	(1,293)
		5,009	101,740
	Current tax charge for the year	57,847	117,005
6	Dividends	2011 £	2010 £
	Ordinary interim paid	60,000	55,000

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

7 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 August 2010	245,000	7,179,969	170,022	437,192	8,032,183
Additions	-	623,219	-	28,400	651,619
Disposals	-	(1,382,595)	(79,654)	(108,180)	(1,570,429)
At 31 July 2011	245,000	6,420,593	90,368	357,412	7,113,373
Depreciation					
At 1 August 2010	-	4,385,577	158,648	355,528	4,899,753
On disposals	-	(1,154,588)	(79,655)	(108,180)	(1,342,423)
Charge for the year	-	962,540	7,423	28,961	998,924
At 31 July 2011	-	4,193,529	86,416	276,309	4,556,254
Net book value					
At 31 July 2011	245,000	2,227,064	3,952	81,103	2,557,119
At 31 July 2010	245,000	2,794,392	11,374	81,664	3,132,430

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 July 2011	1,576,033	75,786	1,651,819
At 31 July 2010	2,399,752	72,592	2,472,344
Depreciation charge for the year			
At 31 July 2011	693,111	25,206	718,317
At 31 July 2010	1,043,190	15,051	1,058,241

In the opinion of the directors the freehold land and buildings have not been depreciated as they consider them to be valued at the market rate. Included within freehold land and buildings is a property held for sale at a cost of £110,000.

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

8	Stocks	2011 £	2010 £
	Finished goods and goods for resale	13,176	13,586
9	Debtors	2011 £	2010 £
	Trade debtors	484,522	549,140
	Amounts owed by parent and fellow subsidiary undertakings	-	7,500
	Amounts owed by subsidiary undertakings	9,000	-
	Other debtors	13,984	15,889
	Prepayments and accrued income	13,625	13,721
	Deferred tax asset (see note 12)	29,446	23,169
		550,577	609,419
10	Creditors. amounts falling due within one year	2011 £	2010 £
	Bank loans and overdrafts	81,516	225,322
	Net obligations under hire purchase contracts	641,979	1,178,215
	Trade creditors	186,923	149,619
	Amounts owed to parent and fellow subsidiary undertakings	146,220	68,474
	Corporation tax	193,819	163,581
	Other taxes and social security costs	159,600	128,407
	Other creditors	352,716	241,548
	Accruals and deferred income	36,526	6,300
		1,799,299	2,161,466

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

11 Creditors amounts falling due after more than one year	2011 £	2010 £
Bank loans	82,844	116,758
Other loans	66,524	100,190
Net obligations under hire purchase contracts	198,723	452,215
Amounts owed to group companies	103,819	97,163
Amounts owed to connected companies	-	35,117
	<u>451,910</u>	<u>801,443</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments		
Payable after five years	-	44,677
Wholly repayable within five years	201,053	209,351
	<u>201,053</u>	<u>254,028</u>
Included in current liabilities	(51,685)	(37,080)
	<u>149,368</u>	<u>216,948</u>
Loan maturity analysis		
In more than one year but not more than two years	51,735	40,542
In more than two years but not more than five years	97,633	128,103
In more than five years	-	44,678
	<u></u>	<u></u>

The amount 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.

The bank loan due after 5 years is repayable monthly at an interest rate of 1.75% above the Bank of England base rate.

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. The bank overdraft is secured by an unlimited debenture dated 16 October 2001 from Hire One Limited.

Net obligations under hire purchase contracts

Repayable within one year	794,261	1,178,215
Repayable between one and five years	302,541	452,215
	<u>1,096,802</u>	<u>1,630,430</u>
Included in liabilities falling due within one year	(641,979)	(1,178,215)
	<u>454,823</u>	<u>452,215</u>

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

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows

	2011 £
Balance at 1 August 2010	(23,169)
Profit and loss account	(6,277)
Balance at 31 July 2011	<u>(29,446)</u>

	2011 £	2010 £
Decelerated capital allowances	<u>(29,446)</u>	<u>(23,169)</u>

13 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>5,902</u>	<u>5,326</u>

14 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 150,000 Ordinary Shares of £1 each	<u>150,000</u>	<u>150,000</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2010	642,526
Profit for the year	137,137
Dividends paid	(60,000)
Balance at 31 July 2011	<u>719,663</u>

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

16 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	137,137	38,856
Dividends	(60,000)	(55,000)
Net addition to/(depletion in) shareholders' funds	77,137	(16,144)
Opening shareholders' funds	792,526	808,670
Closing shareholders' funds	869,663	792,526

17 Financial commitments

At 31 July 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Between two and five years	-	-	3,964	3,964
In over five years	85,000	85,000	-	-
	85,000	85,000	3,964	3,964

18 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	133,129	93,485
Company pension contributions to defined contribution schemes	4,603	4,603
	137,732	98,088

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2)

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Administration	3	3
Directors	2	2
Direct Staff	18	22
	<u>23</u>	<u>27</u>

Employment costs

	2011 £	2010 £
Wages and salaries	594,602	569,978
Social security costs	51,223	51,427
Other pension costs	5,902	5,326
	<u>651,727</u>	<u>626,731</u>

20 Control

In the opinion of the directors the ultimate controlling party is Mrs J Lewis

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

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2011

21 Related party relationships and transactions

During the year, the company made sales of £592,087 (2010 £557,542) to Lewis Civil Engineering Limited and was charged rent of £45,000 (2010 £45,000). During the year Hire One Limited made purchases of £95,737 (2010 £121,332) from Lewis Civil Engineering Limited and assets on hire purchase costing £176,600 (2010 £24,912) were acquired from Lewis Civil Engineering in the year. At the period end the total balance owed to Lewis Civil Engineering Limited was £235,090 (2010 £165,637). Hire One Limited also sold assets to Lewis Civil Engineering Limited costing £42,082 recognising a profit on disposal of £10,745.

During the period, the company charged £9,000 (2010 £7,500) to Knex Pipelines & Cables Limited for management charges, the company is related due to common shareholders. At the year end £9,000 was outstanding from Knex Pipelines & Cables Limited (2010 £7,500).

During the year end the company repaid a loan of £nil (2010 £nil) to Knex Pipelines & Cables Limited. The loan was interest free unsecured and has no set repayment terms.

The company was charged rent of £40,000 (2010 £40,000) from Jackson Properties Limited. Jackson Properties Limited is related due to common shareholders. At the year end £38,803 (2010 £14,317) was due to Jackson Properties Limited. 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.

Dividends of £18,000 were paid to Mr D Boden in the year.