

REGISTRAR OF COMPANIES

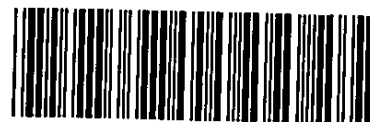
Company Registration No. 04277104 (England and Wales)

HIRE ONE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

TUESDAY



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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

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HIRE ONE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2010

The directors present their report and financial statements for the year ended 31 July 2010

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 £54,518 (1.5%) on a turnover of £3,540,385 (year to 31 July 2009 £48,211 and £3,980,908). This profit has been achieved despite a reduction in sales and the extremely challenging trading conditions we experienced. This result has been achieved by continuing to closely monitor all costs and react quickly to ever changing market conditions.

The company is committed to further reduce costs and is forecasting a trading profit for the year to July 2011.

The company retained its accreditation for both ISO 9001:2008 and Investors in People during the year.

Results and dividends

The results for the year are set out on Page 4.

Directors

The following directors have held office since 1 August 2009:

P Mason
K Latham

Charitable donations	2010 £	2009 £
During the year the company made the following payments:		
Charitable donations	994	7,812

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 2010

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

10/3/11

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 2010 set out on pages 4 to 17. 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 pages 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 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.

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 2010 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.

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 Gates FCA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited
Chartered Accountants
Statutory Auditor

10 March 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 2010

	Notes	2010 £	2009 £
Turnover	2	3,540,385	3,980,908
Cost of sales		(2,534,907)	(2,796,886)
Gross profit		1,005,478	1,184,022
Administrative expenses		(708,678)	(870,425)
Other operating income		8,426	1,818
Operating profit	3	305,226	315,415
Interest payable and similar charges	4	(250,708)	(267,204)
Profit on ordinary activities before taxation		54,518	48,211
Tax on profit on ordinary activities	5	(15,662)	(51,941)
Profit/(loss) for the year	15	38,856	(3,730)

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 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	7		3,132,430		4,408,941
Current assets					
Stocks	8	13,586		36,414	
Debtors	9	609,419		731,507	
		<u>623,005</u>		<u>767,921</u>	
Creditors: amounts falling due within one year	10	<u>(2,161,466)</u>		<u>(2,482,861)</u>	
Net current liabilities			<u>(1,538,461)</u>		<u>(1,714,940)</u>
Total assets less current liabilities			<u>1,593,969</u>		<u>2,694,001</u>
Creditors, amounts falling due after more than one year	11		(801,443)		(1,807,157)
Provisions for liabilities	12		-		(78,174)
			<u>792,526</u>		<u>808,670</u>
Capital and reserves					
Called up share capital	14		150,000		150,000
Profit and loss account	15		642,526		658,670
Shareholders' funds	16		<u>792,526</u>		<u>808,670</u>

Approved by the Board and authorised for issue on

10/3/11



P Mason
Director

Company Registration No 04277104

HIRE ONE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		1,412,879		1,899,962
Returns on investments and servicing of finance				
Interest paid	(250,708)		(267,204)	
Net cash outflow for returns on investments and servicing of finance		(250,708)		(267,204)
Taxation		(25,539)		(14,940)
Capital expenditure				
Payments to acquire tangible assets	(73,111)		(183,746)	
Receipts from sales of tangible assets	187,641		338,914	
Net cash inflow/(outflow) for capital expenditure		114,530		155,168
Equity dividends paid		(55,000)		-
Net cash inflow before management of liquid resources and financing		980,690		1,772,986
Financing				
Other new long term loans	-		124,281	
Other new short term loans	27,716		25,719	
Repayment of long term bank loan	(18,654)		(17,880)	
Repayment of other long term loans	(27,716)		-	
Repayment of other short term loans	(26,402)		(1,029)	
Capital element of hire purchase contracts	(1,074,021)		(1,887,307)	
Capital element of finance lease contracts	(149,415)		(68,075)	
Increase in debt	(1,268,492)		(1,824,291)	
Net cash outflow from financing		(1,268,492)		(1,824,291)
(Decrease)/increase in cash in the year		(68,705)		(51,306)

HIRE ONE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2010

1 Reconciliation of operating profit to net cash outflow from operating activities		2010	2009
		£	£
Operating profit		305,226	315,415
Depreciation of tangible assets		1,400,122	1,316,873
Profit on disposal of tangible assets		(66,811)	(102,472)
Decrease in stocks		22,828	12,492
Decrease in debtors		145,257	101,146
Increase/(Decrease) in creditors		(393,743)	256,508
Net cash inflow from operating activities		1,412,879	1,899,962

2 Analysis of net debt	1 August 2009	Cash flow	Other non-cash changes	31 July 2010
	£	£	£	£
Net cash				
Bank overdrafts	(147,253)	(68,705)	-	(215,958)
Debt				
Finance leases	(2,682,536)	1,052,106	-	(1,630,430)
Debts falling due within one year	(35,766)	(1,314)	-	(37,080)
Debts falling due after one year	(536,835)	187,607	-	(349,228)
	(3,255,137)	1,238,399	-	(2,016,738)
Net debt	(3,402,390)	1,169,694	-	(2,232,696)

3 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
Decrease in cash in the year	(68,705)	(51,306)
Cash outflow from decrease in debt and lease financing	1,238,399	494,992
Movement in net debt in the year	1,169,694	443,686
Opening net debt	(3,402,390)	(3,846,076)
Closing net debt	(2,232,696)	(3,402,390)

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2010

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 (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

3 Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Depreciation of tangible assets	1,400,122	1,316,873
Auditors' remuneration	6,300	4,100
and after crediting		
Profit on disposal of tangible assets	(66,811)	(102,472)

4 Interest payable

	2010 £	2009 £
On bank loans and overdrafts	14,437	10,421
On other loans wholly repayable within five years	14,020	8,236
Hire purchase interest	207,537	229,183
On amounts payable to factors	14,714	19,364
	<u>250,708</u>	<u>267,204</u>

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

5 Taxation

	2010 £	2009 £
Domestic current year tax		
U K corporation tax	117,005	55,811
Current tax charge	<u>117,005</u>	<u>55,811</u>
Deferred tax		
Origination and reversal of timing differences	(101,343)	(3,870)
	<u>15,662</u>	<u>51,941</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>54,518</u>	<u>48,211</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>15,265</u>	<u>13,499</u>
Effects of		
Expenses not deductible for tax purposes	1,248	6,943
Depreciation add back	356,356	353,243
Capital allowances	(235,870)	(284,230)
Chargeable disposals	(18,701)	(28,692)
Other tax adjustments	(1,293)	(4,952)
	<u>101,740</u>	<u>42,312</u>
Current tax charge	<u>117,005</u>	<u>55,811</u>

6 Dividends

	2010 £	2009 £
Ordinary interim paid	<u>55,000</u>	<u>-</u>

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

7 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 August 2009	245,000	7,379,620	170,022	428,772	8,223,414
Additions	-	160,441	-	84,000	244,441
Disposals	-	(360,092)	-	(75,580)	(435,672)
At 31 July 2010	245,000	7,179,969	170,022	437,192	8,032,183
Depreciation					
At 1 August 2009	-	3,328,780	139,873	345,820	3,814,473
On disposals	-	(273,779)	-	(41,063)	(314,842)
Charge for the year	-	1,330,576	18,775	50,771	1,400,122
At 31 July 2010	-	4,385,577	158,648	355,528	4,899,753
Net book value					
At 31 July 2010	245,000	2,794,392	11,374	81,664	3,132,430
At 31 July 2009	245,000	4,050,840	30,149	82,952	4,408,941

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 2010	2,399,752	72,592	2,472,344
At 31 July 2009	3,598,814	76,847	3,675,661
Depreciation charge for the year			
At 31 July 2010	1,043,190	15,051	1,058,241
At 31 July 2009	1,120,152	65,836	1,185,988

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

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

8 Stocks

	2010 £	2009 £
Finished goods and goods for resale	13,586	36,414

9 Debtors

	2010 £	2009 £
Trade debtors	549,140	704,142
Amounts owed by parent and fellow subsidiary undertakings	7,500	-
Other debtors	15,889	14,613
Prepayments and accrued income	13,721	12,752
Deferred tax asset (see note 12)	23,169	-
	609,419	731,507

10 Creditors amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	225,322	157,300
Net obligations under hire purchase contracts	1,178,215	1,412,214
Trade creditors	149,619	185,592
Amounts owed to parent and fellow subsidiary undertakings	68,474	196,030
Corporation tax	163,581	72,115
Other taxes and social security costs	128,407	231,315
Other creditors	241,548	221,995
Accruals and deferred income	6,300	6,300
	2,161,466	2,482,861

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

11 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Bank loans	116,758	135,412
Other loans	96,565	124,281
Net obligations under hire purchase contracts	452,215	1,270,322
Amounts owed to group companies	97,163	202,029
Amounts owed to connected companies	38,742	75,113
	<u>801,443</u>	<u>1,807,157</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments		
Payable after five years	44,677	66,630
Wholly repayable within five years	205,726	228,829
	<u>250,403</u>	<u>295,459</u>
Included in current liabilities	(37,080)	(35,766)
	<u>213,323</u>	<u>259,693</u>
Loan maturity analysis		
In more than one year but not more than two years	40,542	40,622
In more than two years but not more than five years	128,103	152,441
In more than five years	44,678	66,630

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	1,178,215	1,412,214
Repayable between one and five years	452,215	1,270,322
	<u>1,630,430</u>	<u>2,682,536</u>
Included in liabilities falling due within one year	(1,178,215)	(1,412,214)
	<u>452,215</u>	<u>1,270,322</u>

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

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

12 Provisions for liabilities

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

	2010 £	
Balance at 1 August 2009	78,174	
Profit and loss account	(101,343)	
Balance at 31 July 2010	<u>(23,169)</u>	
	2010 £	2009 £
Decelerated capital allowances	<u>(23,169)</u>	<u>78,174</u>

13 Pension and other post-retirement benefit commitments Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	<u>723</u>	<u>1,791</u>

14 Share capital

	2010 £	2009 £
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 2009	658,670
Profit for the year	38,856
Dividends paid	<u>(55,000)</u>
Balance at 31 July 2010	<u>642,526</u>

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit/(Loss) for the financial year	38,856	(3,730)
Dividends	(55,000)	-
Net depletion in shareholders' funds	(16,144)	(3,730)
Opening shareholders' funds	808,670	812,400
Closing shareholders' funds	792,526	808,670

17 Financial commitments

At 31 July 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2011

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
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' emoluments

	2010 £	2009 £
Emoluments for qualifying services	93,485	99,804

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2009 - 2)

HIRE ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2010

19 Employees

Number of employees

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

	2010 Number	2009 Number
Administration	3	4
Directors	2	2
Direct Staff	22	28
	<u>27</u>	<u>34</u>

Employment costs

	2010 £	2009 £
Wages and salaries	569,978	750,454
Social security costs	51,427	71,866
Other pension costs	5,326	6,057
	<u>626,731</u>	<u>828,377</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 (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2010

21 Related party transactions

During the year, the company made sales of £557,542 (2009 £968,376) to Lewis Civil Engineering Limited and was charged rent of £45,000 (2009 £45,000). During the year Hire One Limited made purchases of £121,332 (2009 £317,622) from Lewis Civil Engineering Limited and assets on hire purchase costing £24,912 (2009 £411,915) were acquired from Lewis Civil Engineering in the year. An amount of £17,185 (2009 £316,715) was outstanding at the year end in relation to this balance. At the period end the total balance owed to Lewis Civil Engineering Limited was £165,637 (2009 £398,080 due to Lewis Civil Engineering Limited).

During the period, the company charged £7,500 (2009 £nil) 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 (2009 £nil).

During the year end the company repaid a loan of £nil (2009 £100,000) 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 (2009 £42,595) from Jackson Properties Limited. Jackson Properties Limited is related due to common shareholders. At the year end £14,317 (2009 £9,761) was due to Jackson Properties Limited. At the year end the company owed Jackson Properties Limited £75,114 (2009 £112,636). 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.