

# **The Hill Company Limited**

Financial statements

For the period from 11 November 2003 to  
31 December 2004

Grant Thornton 



**Company No. 04959684**

## Company information

**Company registration number**

04959684

**Registered office**

Solus 31  
Motherwell Way  
West Thurrock  
Essex  
RM20 3LB

**Directors**

A D Hill  
J D Hill

**Secretary**

J D Hill

**Auditors**

Grant Thornton UK LLP  
Chartered Accountants  
Registered Auditors  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

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## Report of the directors

The directors present their report and the financial statements of the company for the period from 11 November 2003 to 31 December 2004.

### Principal activities and business review

The company was incorporated on 11 November 2003. On 16 September 2004 the company changed its name from Solus 31 Limited to The Hill Company Limited. The company started trading on 1 August 2004.

The principal activity of the company during the period was the management and provision of data, record and storage facilities.

There was a loss for the period after taxation amounting to £22,785.  
The directors do not recommend payment of a dividend.

### Directors

The directors who served the company during the period were as follows:

A D Hill (appointed on 11 November 2003)

J D Hill (appointed on 11 November 2003)

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

### Directors' responsibilities

United Kingdom 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 at the end of the period and of the profit or loss for the period then ended. 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Grant Thornton UK LLP were appointed auditors on 17 November 2004 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

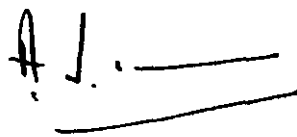
**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD

A D Hill  
Director

.....



*2nd September 2005*

## Report of the independent auditors to the members of The Hill Company Limited

We have audited the financial statements of The Hill Company Limited for the period from 11 November 2003 to 31 December 2004 on pages 8 to 12. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7.

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**

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 not 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 transactions with the company is not disclosed.

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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.

# Report of the independent auditors to the members of The Hill Company Limited (continued)

## Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

LONDON

Date: *2 September 2005*

## Principal accounting policies

### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts have been prepared on a going concern basis on the assumption that the parent undertaking will continue to make adequate funds available to the company to meet its liabilities as and when they fall due. The directors have no reason to believe that the financial support will not continue in the future and consider it appropriate to adopt a going concern basis. The accounts do not contain any adjustments that would be necessary should this basis not be appropriate.

### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, adjusting for sales which have not been completed, exclusive of Value Added Tax.

### Fixed assets

All fixed assets are initially recorded at cost.

### Depreciation

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

Equipment, Fixtures & Fittings	- 5%-20% Straight Line
Motor Vehicles	- 25% Straight Line
Computer Equipment	- 33.33% Straight Line

### Stocks

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

### Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date.

Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.



## Profit and loss account

	Note	Period from 11 Nov 03 to 31 Dec 04 £
Turnover	1	196,153
Cost of sales		117,366
Gross profit		<u>78,787</u>
Other operating charges	2	146,350
<b>Operating loss</b>	3	<u>(67,563)</u>
Interest receivable	4	44,778
<b>Loss on ordinary activities before taxation</b>		<u>(22,785)</u>
<b>Loss for the financial period</b>	11	<u><u>(22,785)</u></u>

## Balance sheet

	Note	£	31 Dec 04 £
<b>Fixed assets</b>			
Tangible assets	5		134,104
<b>Current assets</b>			
Stocks	6	23,732	
Debtors	7	208,379	
Cash at bank and in hand		409,416	
		<u>641,527</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>798,208</u>	
<b>Net current liabilities</b>			<u>(156,681)</u>
<b>Total assets less current liabilities</b>			<u>(22,577)</u>
<b>Capital and reserves</b>			
Called-up equity share capital	10		208
Profit and loss account	11		<u>(22,785)</u>
<b>Deficiency</b>			<u>(22,577)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 2.9.2005 and are signed on their behalf by:

A. D. Hill  
A D Hill

## Notes to the financial statements

**1 Turnover**

All turnover arose within the United Kingdom.

**2 Other operating income and charges**

Period from  
11 Nov 03 to  
31 Dec 04  
£

Administrative expenses

146,350

**3 Operating loss**

Operating loss is stated after charging:

Period from  
11 Nov 03 to  
31 Dec 04  
£

Directors' emoluments

16,000

Depreciation of owned fixed assets

14,940

Auditors' fees

6,000

**4 Interest receivable**

Period from  
11 Nov 03 to  
31 Dec 04  
£

Bank interest receivable

44,778

**5 Tangible fixed assets**

	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost				
Additions	41,957	51,980	55,107	149,044
At 31 December 2004	<u>41,957</u>	<u>51,980</u>	<u>55,107</u>	<u>149,044</u>
Depreciation				
Charge for the period	1,871	5,415	7,654	14,940
At 31 December 2004	<u>1,871</u>	<u>5,415</u>	<u>7,654</u>	<u>14,940</u>
Net book value				
At 31 December 2004	<u>40,086</u>	<u>46,565</u>	<u>47,453</u>	<u>134,104</u>

**6 Stocks**

	31 Dec 04 £
Finished goods	<u>23,732</u>

**7 Debtors**

	31 Dec 04 £
Trade debtors	124,454
Amounts owed by associated company	75,783
Other debtors	8,142
	<u>208,379</u>

**8 Creditors: amounts falling due within one year**

	31 Dec 04 £
Trade creditors	6,545
Amounts owed to parent undertaking	666,527
Other taxation and social security	17,757
Other creditors	107,379
	<u>798,208</u>

**9 Related party transactions**

At the year end there was a balance of £666,527 owing to the ultimate controlling party, Motherwell Holdings Limited.

At the year end there was a balance of £75,783 owing from Solus 32 Limited.

**10 Share capital**

Authorised share capital:

	31 Dec 04
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>208</u>	<u>208</u>

On incorporation the company made an allotment of 208 ordinary shares at £1 per share to existing members.

**11 Reconciliation of shareholders' funds and movement on reserves**

	Share capital	Profit and loss account	Total share- holders' funds
	£	£	£
Loss for the period	—	(22,785)	(22,785)
New equity share capital subscribed	208	—	208
At 31 December 2004	<u>208</u>	<u>(22,785)</u>	<u>(22,577)</u>

**12 Pensions**

The company has not operated, or contributed to any pension scheme on behalf of its employees.

**13 Contingencies**

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 December 2004.

**14 Capital commitments**

The directors have confirmed that there were no capital commitments at 31 December 2004.

**15 Ultimate parent company**

The ultimate undertaking of this company is Motherwell Holdings Limited.