

Registered number
571289

Hills Minerals and Waste Limited
Directors' report and financial statements
30 April 2006

MONDAY



A7IK0L26

A03

04/12/2006

288

COMPANIES HOUSE

Hills Minerals and Waste Limited
Directors' report and financial statements
Contents

	Page(s)
Directors' report	1 to 2
Statement of directors' responsibilities	3
Independent auditors' report	4 to 5
<i>Profit and loss account</i>	6
Balance sheet	7
Notes to the financial statements	8 to 15

Hills Minerals and Waste Limited

Directors' Report

The directors present their report and accounts for the year ended 30 April 2006.

Principal activities and review of the business

The company's principal activity during the year continued to be waste management, the sale of sand and gravel, and the haulage of aggregates and soil. Recycling constitutes a significant part of waste management activity.

Turnover has increased by 6% during the year to £43.5m. In terms of the major activities of the company, the turnover of aggregate products fell 12.9% as the company sought to reposition its marketing in relation to ready mixed concrete and the development of the group's own plants operated by Hills Concrete Limited. Turnover in waste management increased by 14% as a result of increased activity from commercial sources and recycling arising from the domestic waste contract for Wiltshire County Council.

On 1st May 2005, the aggregate and waste management businesses of the group company Hills West Midlands Limited was transferred into this company.

Results and dividends

The profit for the year, after taxation, amounted to £3,712,882 (2005 : £4,683,922). The directors do not recommend a final dividend. After the interim dividend paid to The Hills Group Limited in the year of £150 per share, £3,000,000 in total, this leaves a profit of £712,882 to be retained

Future developments

The growth in number and activity of the group's own concrete plants are expected to lead to a recovery in volumes of the sand and gravel division. On the waste management front, the company has been appointed preferred bidder for two new disposal contracts which should lead to significant developments and expansion, although there may be a reduction in the market for hazardous waste in the year ahead.

Overall the next year should show a result broadly similar to the year being reported.

Events since the balance sheet date

No notifiable events

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	30 Apr 2006	1 May 2005
AG Pardoe	-	-
AJ Mackenzie	-	-
MR Webster	-	-
MP Hill	-	-

Hills Minerals and Waste Limited Directors' Report

(continued)

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the parent company, The Hills Group Limited:

	£1 Ordinary shares	
	30 Apr 2006	1 May 2005
MR Webster	498	498
MP Hill	1,839	1,839

The interests of Mr AG Pardoe are disclosed in the directors' report of the parent company.

Political and charitable donations

During the year, the company made no political contributions (2005: nil) and various charitable contributions totalling £3,612 (2005: £2,480).

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Employees

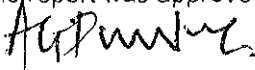
It is the company's intention to keep employees fully informed of the operational position of the business and its future plans, whenever possible

Employment of disabled persons

The company's policy in relation to disabled persons is:-

- In its employee recruitment practices, full consideration is given to job applications received from disabled persons. Candidates are selected and appointed on the basis of their ability to perform the duties of the job. Where disabled persons have the aptitudes and abilities necessary for the job, sympathetic consideration is given to their applications. Where necessary, and where possible, special training arrangements are made to facilitate the engagement and induction of selected disabled candidates.
- Where an employee becomes disabled whilst employed by the company, *arrangements are made, where ever possible, either to transfer the person to suitable alternative employment or to retrain them in order to enable them to perform a job identified as appropriate to their aptitude and abilities.*
- Encouragement is given in the training, career development and promotion of all employees according to the opportunities available, organisational requirements and individual aptitude and abilities. This policy includes disabled employees for whom any further necessary training is arranged taking into account their particular needs.

This report was approved by the board on 28 September 2006.


A.G. Pardoe
Director

Hills Minerals and Waste Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Director's 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 which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

In preparing these 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;
- state whether applicable accounting standards 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 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.

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

Independent auditors report to the shareholders of Hills Minerals and Waste Limited

We have audited the financial statements of Hills Minerals and Waste Limited for the year ended 30th April 2006 which comprise the *Profit and Loss Account, the Balance Sheet, and the related notes*. 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 the Directors' Report 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.

Independent auditors report to the shareholders of Hills Minerals and Waste Limited
(continued)

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 30th April 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Registered auditors
28 September 2006

100 Temple Street
Bristol
BS1 6AG

Hills Minerals and Waste Limited
Profit and Loss Account
for the year ended 30 April 2006

	Notes	2006 £	2005 £
Turnover	2	43,509,048	41,015,678
Cost of sales		(28,458,460)	(25,749,313)
Gross profit		15,050,588	15,266,365
Distribution costs		(3,665,642)	(3,488,812)
Administrative expenses		(5,617,706)	(5,029,030)
Other operating income		139,868	121,289
Operating profit	3	5,907,108	6,869,812
Interest receivable		2,523	15,176
Interest payable	6	(255,581)	(213,323)
Profit on ordinary activities before taxation		5,654,050	6,671,665
Tax on profit on ordinary activities	7	(1,941,168)	(1,987,743)
Profit for the financial year		<u>3,712,882</u>	<u>4,683,922</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Hills Minerals and Waste Limited
Balance Sheet
as at 30 April 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	8	14,391,125	14,883,497
Current assets			
Stocks	9	126,490	107,763
Debtors	10	24,690,772	23,855,728
Cash at bank and in hand		122,380	142,811
		24,939,642	24,106,302
Creditors: amounts falling due within one year	11	(11,321,356)	(11,090,403)
Net current assets		13,618,286	13,015,899
Total assets less current liabilities		28,009,411	27,899,396
Creditors: amounts falling due after more than one year	12	(2,345,983)	(2,680,643)
Provisions for liabilities			
Deferred taxation	14	(556,082)	(594,371)
Other provisions	15	(2,680,792)	(2,910,710)
		(3,236,874)	(3,505,081)
Net assets		<u>22,426,554</u>	<u>21,713,672</u>
Capital and reserves			
Called up share capital	16	10,000	10,000
Profit and loss account	17	22,416,554	21,703,672
Shareholders' funds	19	<u>22,426,554</u>	<u>21,713,672</u>



M.P. Hill
Director

Approved by the board on 28 September 2006

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements with the exception of the following new standards which have been adopted for the first time in these financial statements.

FRS 20 'Share-based payments'

FRS 21 'Events after the balance sheet date'

FRS 28 'Corresponding amounts'

FRS 25 'Financial instruments : presentation and disclosure '

These standards have had no material effect on the company's financial statements.

The recognition and measurement requirements of FRS 17 'Retirement benefits' have also been adopted, previously the transitional disclosures of that standard have been followed.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of The Hills Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Hills Group Limited can be obtained from the address given in note 23.

Landfill tax

Landfill tax is included within both turnover and cost of sales.

Fixed assets and depreciation

Land and buildings includes freehold land, aggregate bearing land, landfill sites, and freehold buildings thereon.

Freehold land is not depreciated.

Depreciation is provided on the cost less residual value of freehold aggregate bearing land on the basis of extraction of aggregates.

The cost less residual value of landfill sites is depreciated over the estimated life of the site on the basis of the usage of the void space.

The cost of aggregate bearing land and landfill sites includes acquisition and commissioning costs, engineering works, and the discounted cost of the final site restoration and post-closure aftercare costs.

Freehold buildings on aggregate or landfill sites are depreciated over the life of that site.

Depreciation is provided by the company to write off the cost less estimated residual value of other tangible fixed assets by equal installments over their estimated useful economic lives as follows:

Plant and machinery	over 5 to 10 years
Fixtures and fittings	over 3 to 5 years
Motor vehicles	over 4 to 5 years

Stocks

Stocks are valued at the lower of cost, being net invoice prices charged by suppliers, and net realisable value. No account is taken of extracted stocks of sand and gravel at pits.

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over the shorter of the lease term and their useful economic lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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 is a member of the Hills Group Limited's defined contribution pension scheme. The assets of the scheme are held separately from those of the group and company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Further details of the specific accounting treatment adopted are set out in note 22.

Provisions for restoration and aftercare costs

The expected costs of the restoration and aftercare of aggregate and landfill sites are recognised as provisions when the obligations arise.

Where the time value of money is material, the amount of the provision is discounted to present value. The unwinding of the discount is included within interest payable.

Tangible fixed assets are created for an amount equal to the capital element of the provision with the remainder being expensed through the profit and loss account. The capital elements are recognised as additions to the original assets in land and buildings. The fixed assets are charged to the profit and loss account on the basis described above in "Fixed assets and depreciation" for aggregate bearing land and landfill sites. Costs are then charged to the provisions as incurred.

2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of sand and gravel, haulage, and waste management services. Turnover is recognised on despatch of sand and gravel, and on provision of haulage and waste management services.

The whole of the turnover and profit on ordinary activities before taxation derives from operations within the United Kingdom

Analysis by activity:

	2006	2005
	£	£
Aggregates	10,960,304	12,569,521
Waste management	31,520,544	27,649,860
Haulage	1,028,200	796,297
	<u>43,509,048</u>	<u>41,015,678</u>

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

3 Operating profit	2006	2005
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	1,684,268	1,781,740
Depreciation of assets held under finance leases and hire purchase contracts	1,644,702	1,566,795
Operating lease rentals - plant and machinery	316,099	210,311
Operating lease rentals - other assets	237,223	138,432
Auditors' remuneration	39,149	26,750
Profit on sale of fixed assets	(139,868)	(121,289)
4 Directors' emoluments	2006	2005
	£	£
Emoluments	256,217	481,587
Highest paid director:		
Emoluments	108,355	186,047
Highest paid director:		
Accrued retirement benefits from defined benefit pension schemes	18,919	40,273
Number of directors accruing benefits in company pension schemes:	2006	2005
	Number	Number
Defined benefit schemes	3	4
5 Staff costs	2006	2005
	£	£
Wages and salaries	6,038,171	5,554,961
Social security costs	549,928	477,968
Other pension costs	892,551	831,764
	7,480,650	6,864,693
Average number of employees during the year	Number	Number
Company average including directors	267	249
6 Interest payable	2006	2005
	£	£
Bank loans and overdrafts	813	-
Finance charges payable under finance leases and hire purchase contracts	254,768	213,323
	255,581	213,323

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

7 Taxation	2006 £	2005 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	1,942,673	2,157,984
Adjustments in respect of previous periods	(39,309)	(155,778)
	<u>1,903,364</u>	<u>2,002,206</u>
Deferred tax:		
Origination and reversal of timing differences	(136,910)	(108,791)
Adjustments in respect of previous periods	174,714	94,328
	<u>37,804</u>	<u>(14,463)</u>
 Tax on profit on ordinary activities	 <u>1,941,168</u>	 <u>1,987,743</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2006 £	2005 £
Profit on ordinary activities before tax	<u>5,654,050</u>	<u>6,671,665</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	1,696,215	2,001,500
Effects of:		
Expenses not deductible for tax purposes	3,634	410
Capital allowances for period less than depreciation	207,230	155,280
Increase in other timing differences	35,594	794
Adjustments to tax charge in respect of previous periods	(39,309)	(155,778)
	<u>1,903,364</u>	<u>2,002,206</u>
Current tax charge for period		

8 Tangible fixed assets

	Motor vehicles	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Total £
Cost					
At 1 May 2005	4,951,609	17,810,155	780,112	13,104,787	36,646,663
Additions	1,037,363	512,888	70,633	1,176,045	2,796,929
Transfers	220,824	3,699,892	114,075	820,114	4,854,905
Disposals	(896,348)	(641,979)	(546)	(513,009)	(2,051,882)
At 30 April 2006	<u>5,313,448</u>	<u>21,380,956</u>	<u>964,274</u>	<u>14,587,937</u>	<u>42,246,615</u>
Depreciation					
At 1 May 2005	3,140,798	8,173,595	732,728	9,716,045	21,763,166
Charge for the year	850,989	1,165,426	34,278	1,278,277	3,328,970
Depreciation on transfers	167,313	3,124,940	113,237	745,270	4,150,760
On disposals	(838,979)	(84,319)	(546)	(463,562)	(1,387,406)
At 30 April 2006	<u>3,320,121</u>	<u>12,379,642</u>	<u>879,697</u>	<u>11,276,030</u>	<u>27,855,490</u>
Net book value					
At 30 April 2006	<u>1,993,327</u>	<u>9,001,314</u>	<u>84,577</u>	<u>3,311,907</u>	<u>14,391,125</u>
At 30 April 2005	<u>1,810,811</u>	<u>9,636,560</u>	<u>47,384</u>	<u>3,388,742</u>	<u>14,883,497</u>

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

Tangible fixed assets - continued	Cost or valuation	Net book value	Cost or valuation	Net book value
Land and buildings:	2006	2006	2005	2005
	£	£	£	£
Freehold land & buildings	15,750,640	7,142,316	14,239,566	8,805,525
Short leasehold land & buildings	5,630,316	1,858,998	3,570,589	831,035
	<u>21,380,956</u>	<u>9,001,314</u>	<u>17,810,155</u>	<u>9,636,560</u>

	2006	2005
	£	£
Net book value of fixed assets included above held under finance leases and hire purchase contracts	3,461,878	4,207,078

The depreciation charge for the year for the fixed assets held under finance leases and hire purchase contracts was £1,644,702 (2005: £1,566,795).

9 Stocks	2006	2005
	£	£
Consumables	126,490	107,763
10 Debtors	2006	2005
	£	£
Trade debtors	5,668,789	5,763,083
Amounts owed by group undertakings and undertakings in which the company has a participating interest	17,198,932	17,050,927
Other debtors	17,994	15,000
Prepayments and accrued income	1,805,057	922,368
Amounts recoverable on long term contracts	-	104,350
	<u>24,690,772</u>	<u>23,855,728</u>

All the debtors are due within one year.

11 Creditors: amounts falling due within one year	2006	2005
	£	£
Obligations under finance lease and hire purchase contracts	1,416,339	1,624,527
Trade creditors	1,315,585	1,247,543
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,306,359	2,220,000
Corporation tax	844,460	1,106,395
Other taxes and social security costs	2,961,535	2,878,635
Accruals and deferred income	2,477,078	2,013,303
	<u>11,321,356</u>	<u>11,090,403</u>

12 Creditors: amounts falling due after more than one year	2006	2005
	£	£
Obligations under finance lease and hire purchase contracts	2,345,983	2,680,643

13 Obligations under finance leases and hire purchase contracts - amounts due after more than one year	2006	2005
	£	£
Amounts payable:		
Within one to two years	1,076,123	1,492,056
Within two to five years	1,269,860	1,188,587
	<u>2,345,983</u>	<u>2,680,643</u>

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

14 Deferred taxation	2006	2005
	£	£
Accelerated capital allowances	562,515	552,348
Other timing differences	(6,433)	42,023
Undiscounted provision for deferred tax	<u>556,082</u>	<u>594,371</u>
	2006	2005
	£	£
At 1 May	594,371	608,834
Deferred tax charge in profit and loss account	37,804	(14,463)
Transfers	(76,093)	-
At 30 April	<u>556,082</u>	<u>594,371</u>

15 Provisions for liabilities	Restoration and aftercare
	£
At 1 May 2005	2,910,710
Additional provisions made during the period	312,411
Amounts used	(108,892)
Transfers in	208,540
Changes in the discounted amount	(641,977)
At 30 April 2006	<u>2,680,792</u>

The Change in the discounted amount resulted from management reviewing the discounting assumptions used and revising them to bring them into line with the latest estimates of the useful economic lives of key sites.

16 Share capital	2006	2005
	£	£
Authorised:		
Ordinary shares of 50p each	<u>40,000</u>	<u>40,000</u>
	2006	2005
	No	No
Allotted, called up and fully paid:		
Ordinary shares of 50p each	<u>20,000</u>	<u>20,000</u>

17 Profit and loss account	2006	2005
	£	£
At 1 May	21,703,672	17,019,750
Profit for the financial year	3,712,882	4,683,922
Dividends	(3,000,000)	-
At 30 April	<u>22,416,554</u>	<u>21,703,672</u>

18 Dividends	2006	2005
	£	£
Dividends for which the company became liable during the year:		
Dividends paid	<u>3,000,000</u>	<u>-</u>

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

19 Reconciliation of movement in shareholders' funds	2006	2005
	£	£
At 1 May	21,713,672	17,029,750
Profit for the financial year	3,712,882	4,683,922
Dividends	(3,000,000)	-
At 30 April	<u>22,426,554</u>	<u>21,713,672</u>

20 Capital commitments	2006	2005
	£	£
Amounts contracted for but not provided in the accounts	<u>654,420</u>	<u>1,094,754</u>

21 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2006 £	Land and buildings 2005 £	Other 2006 £	Other 2005 £
Operating leases which expire:				
within one year	-	-	6,797	7,207
within two to five years	<u>69,100</u>	<u>69,100</u>	<u>73,089</u>	<u>62,278</u>
	<u>69,100</u>	<u>69,100</u>	<u>79,886</u>	<u>69,485</u>

22 Pensions

Defined contribution scheme

Employees are eligible to be members of the group's defined contribution pension scheme. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit pension scheme

Other employees and three directors are members of the parent company (The Hills Group Limited's) defined benefit pension scheme (2005: four directors). The assets of the scheme are held separately from those of the company and group. Under FRS17 ' Retirement benefits ' the current service cost and net finance charge is charged to the group consolidated profit and loss account, with the actuarial gain or loss on the schemes investments being shown in the statement of total recognised gains and losses.

The most recent valuation of the scheme at 1st July 2005 has been updated by the actuary on an FRS17 basis on 30th April 2006 and the 1st July 2003 valuation was updated by the actuary on an FRS17 basis on 30th April 2005.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17, the scheme is accounted for by this company as if the scheme was a *defined contribution scheme with the full requirements of FRS17 being adopted in the consolidated financial statements of the parent company, The Hills Group Limited, which can be obtained from the address given in note 23.*

The total profit and loss charge for the above schemes is £892,551 (2005: £831,764)

Hills Minerals and Waste Limited
Notes to the financial statements
for the year ended 30 April 2006

23 Ultimate parent undertaking

The company is a subsidiary undertaking of, and is controlled by, The Hills Group Limited which is registered in England and Wales. The largest and smallest group in which these results are included is that headed by The Hills Group Limited. The consolidated financial statements are available to the public and may be obtained from :-

Ailesbury Court
High Street
Marlborough
Wiltshire
SN8 1AA

24 Related party disclosures

During the year transactions have been made with Cotswold Aggregates Limited, which is a company jointly controlled by The Hills Group Limited and Aggregate Industries UK limited.

Transactions

Included within cost of sales for the year are purchases of aggregate material totalling £967,695 (2005: £1,068,259).

In addition, recharges totalling £211,925 (2005: £239,191) were made, being management fees of £7,500 (2005: £7,500), payroll costs of £185,441 (2005: £168,009) relating to employees of Hills Minerals and Waste Limited subcontracted to Cotswold Aggregates Limited and £18,984 (2005: £117,572) in respect of other profit and loss items.

At the year end Cotswold Aggregates Limited owed £17,736 (2005: £16,073) to Hills Minerals and Waste Limited.

25 Contingent liabilities

The company has an unlimited composite guarantee over the borrowing facilities of The Hills Group Limited, Hills Property Limited, Kingshill Developments Limited, County Homes (Wessex) Limited and Hills (West Midlands) Limited.