

# Hornchurch Hire & Sales Limited

Report and Financial Statements  
for the year ended 30 April 2007

Registered number. 1654927



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# Directors' report

For the year ended 30 April 2007

## Financial statements

The directors present their annual report and financial statements of the company for the year ended 30 April 2007

## Principal activities and review of the business

The principal activities of the company in the year under review continued to be the hire and sale of plant and equipment. The progress of the company during the year, although disappointing, accorded with expectations and the position at the end of the year is regarded as satisfactory.

## Results and dividends

The results for the year are set out on page 3. No dividends were paid in the year ended 30 April 2007.

## Future developments

Other than the payment of dividends since 1 May 2007 totalling £70,000, no significant changes in the future of the company are proposed nor has there occurred since the year end any event of such significance that reference should be made to it in this report.

## Directors' and their interests

The directors in office in the year and their beneficial interest at the balance sheet date and the beginning of the year in the £1 ordinary shares of the company were:

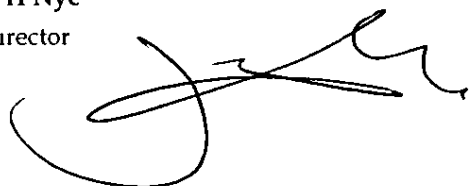
	2007	2006
JTH Nye (Chairman)	8,750	8,750
B Handscombe	1,250	1,250

## Auditors

The directors have resolved to dispense with the requirement for an audit, the company meeting the relevant criteria, under the Companies Act 1985, as amended.

The Board approved this report on 21 January 2008.

JTH Nye  
Director



# Profit and loss account

For the year ended 30 April 2007

	Notes	2007 £	2006 £
<b>Turnover</b>	2	241,775	233,883
<b>Cost of sales</b>		<u>(101,413)</u>	<u>(92,692)</u>
<b>Gross profit</b>		140,362	141,191
Distribution costs		(5,196)	(6,608)
Administrative costs		(91,177)	(87,310)
Other operating costs		(30,156)	(27,493)
Other operating income		<u>18,148</u>	<u>18,943</u>
<b>Operating profit</b>	3	31,981	38,263
Interest receivable – bank		<u>2,539</u>	<u>2,770</u>
<b>Profit on ordinary activities before taxation</b>		34,520	41,033
Tax on profit on ordinary activities	5	<u>(5,357)</u>	<u>(8,143)</u>
<b>Profit on ordinary activities after taxation</b>		29,163	32,890
Dividends paid	6	<u>-</u>	<u>(60,000)</u>
<b>Retained profit/(loss) for the year</b>	13	<u><u>29,163</u></u>	<u><u>(27,110)</u></u>

## Continuing operations

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

## Total recognised gains and losses

The company had no recognised gains or losses other than the profit and loss account for the above two years

# Balance sheet

30 April 2007

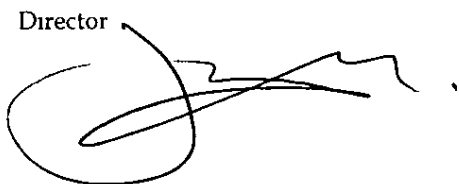
	Notes	2007 £	2006 £
<b>Tangible fixed assets</b>	7	<u>41,771</u>	<u>31,079</u>
<b>Current assets</b>			
Stocks	8	19,071	19,968
Debtors	9	26,034	17,504
Cash at bank and in hand		<u>116,493</u>	<u>103,943</u>
		161,598	141,415
<b>Creditors amounts falling due within one year</b>	10	<u>(47,440)</u>	<u>(45,728)</u>
<b>Net current assets</b>		<u>114,158</u>	<u>95,687</u>
<b>Total assets less current liabilities</b>		<u>155,929</u>	<u>126,766</u>
<b>Net assets</b>		<u>155,929</u>	<u>126,766</u>
<b>Capital and reserves</b>			
Called up share capital	12	10,000	10,000
Profit and loss account	13	<u>145,929</u>	<u>116,766</u>
<b>Shareholders' funds</b>	14	<u>155,929</u>	<u>126,766</u>

These annual accounts have not been audited because the company is entitled to the exemption provided by s249A (1) Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2)

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with s221 Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with s226 Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 21 January 2008

JTH Nye  
Director



# Notes to the financial statements

For the year ended 30 April 2007

## 1 Accounting policies

### *Preparation of financial statements*

The financial statements have been prepared under the historical cost convention and in accordance with appropriate accounting standards

### *Cash flow*

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements"

### *Stock*

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

### *Fixed assets*

Fixed assets are recorded at original cost less accumulated depreciation

Depreciation is calculated on the cost of fixed assets at the following annual rates in order to write off each asset over its estimated useful life

Hire plant and equipment	Between 10% and 33 3%
Other plant and equipment, fixtures and fittings	20%
Computer hardware	33 3%
Computer software	33 3%
Motor vehicles	25%

### *Taxation*

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

### *Operating lease commitments*

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred

## Notes to the financial statements (continued)

### 2 Turnover

Turnover represents sales and hire transactions in the United Kingdom during the year, excluding value added tax

### 3 Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation	31,286	31,603
Directors' remuneration	51,367	49,520
Operating leases-land and buildings	11,350	11,350
Profit on disposal of fixed assets	<u>(17,814)</u>	<u>(18,091)</u>

### 4 Employees

	2007 Number	2006 Number
The average number of weekly employees during the year was as follows		
Office and management	2	2
Production and sales	<u>2</u>	<u>2</u>
	<u>4</u>	<u>4</u>
Staff costs (including directors' remuneration) amounted to	£	£
Wages and salaries	77,113	74,448
Social security costs	<u>7,393</u>	<u>7,066</u>
	<u>84,506</u>	<u>81,514</u>

### 5 Tax on profit on ordinary activities

	2007 £	2006 £
UK corporation tax at 19% (2006-19%)	6,000	8,800
Adjustment in respect of prior years	(643)	642
Transfer from deferred taxation	<u>-</u>	<u>(1,300)</u>
	<u>5,357</u>	<u>8,142</u>

## Notes to the financial statements (continued)

### 6 Dividends paid

	2007 £	2006 £
Interim dividend of £3 per ordinary share paid on 21 September 2005	-	30,000
Interim dividend of £3 per ordinary share paid on 8 April 2006	-	30,000
	<u>-</u>	<u>60,000</u>

### 7 Tangible fixed assets

	Hire plant & equipment	Office equipment	Motor vehicles	Total
Cost				
1 May 2006	67,142	31,574	29,747	128,463
Additions	41,971	1,163	14,251	57,385
Disposals	<u>(40,077)</u>	<u>-</u>	<u>-</u>	<u>(40,077)</u>
30 April 2007	<u>69,036</u>	<u>32,737</u>	<u>43,998</u>	<u>145,771</u>
Depreciation				
1 May 2006	37,326	31,078	28,980	97,384
Charge for the year	29,852	670	764	31,286
On disposals	<u>(24,670)</u>	<u>-</u>	<u>-</u>	<u>(24,670)</u>
30 April 2007	<u>42,508</u>	<u>31,748</u>	<u>29,744</u>	<u>104,000</u>
Net book value				
30 April 2007	<u>26,528</u>	<u>989</u>	<u>14,254</u>	<u>41,771</u>
30 April 2006	<u>29,816</u>	<u>496</u>	<u>767</u>	<u>31,079</u>

### 8 Stocks

	2007 £	2006 £
Finished goods for resale	<u>19,071</u>	<u>19,968</u>



## Notes to the financial statements (continued)

### 9 Debtors

	2007 £	2006 £
Trade debtors	23,373	14,945
Prepayments and accrued income	2,661	2,559
	<u>26,034</u>	<u>17,504</u>

### 10 Creditors Amounts falling due within one year

	2007 £	2006 £
Trade creditors	13,354	9,449
Corporation tax	6,000	8,800
Social security and other taxes	3,177	5,001
Accruals and deferred income	24,909	22,478
	<u>47,440</u>	<u>45,728</u>

### 11 Provisions for liabilities and charges

During the year ended 30 April 2006 £1,300 was transferred from the deferred tax account. There was no such transfer in the year ended 30 April 2007. There is a potential deferred asset in respect of future capital allowances amounting to £100 (2006 £500), which has not been recognised, as the timing of use cannot be definitely predicted.

### 12 Called up share capital

	2007 £	2006 £
Authorised, allotted, issued and fully paid		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

## Notes to the financial statements (continued)

### 13 Profit and loss account

	2007	2006
	£	£
Retained profit at 1 May 2006	116,766	143,876
Retained profit/(loss) for the year	29,163	(27,110)
Retained profit at 30 April 2007	<u>145,929</u>	<u>116,766</u>

### 14 Reconciliation of movement in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	29,163	32,890
Dividends paid	-	(60,000)
Net increase/(decrease)/ in shareholders' funds	29,163	(27,110)
Shareholders' funds at 1 May 2006	<u>126,766</u>	<u>153,876</u>
Shareholders' funds at 30 April 2007	<u>155,929</u>	<u>126,766</u>

### 15 Financial commitments

At 30 April 2007 the company had annual commitments totalling £11,350 (2006-£11,350) under non-cancellable leases, for two to five years, in respect of land and buildings

# Detailed profit and loss account

for the year ended 30 April 2007

	2007 £	2006 £
<b>Turnover</b>		
Hire	136,556	133,142
Sales	105,219	100,741
	<u>241,775</u>	<u>233,883</u>
<b>Cost of sales</b>		
Stock re-usage	(70,940)	(61,992)
Re-hire	(621)	(847)
Plant depreciation	(29,852)	(29,853)
	<u>(101,413)</u>	<u>(92,692)</u>
<b>Gross profit</b>	<u>140,362</u>	<u>141,191</u>
<b>Distribution costs</b>		
Vehicle costs	(2,460)	(3,004)
Vehicle depreciation	(764)	(1,313)
Advertising	(1,972)	(2,291)
	<u>(5,196)</u>	<u>(6,608)</u>
<b>Administrative costs</b>		
Staff welfare	(414)	(467)
Water rates	(41)	(21)
Light and heat	(907)	(918)
Accountants' fees	(500)	(475)
Professional fees	(1,220)	(1,360)
Telephone	(1,232)	(1,248)
Stationery	(2,599)	(1,245)
Computer maintenance	(2,721)	(2,804)
Bad debts	(825)	(98)
Directors' salaries	(51,367)	(49,520)
National insurance	(5,268)	(5,068)
Rent	(11,350)	(11,350)
Business rates	(2,668)	(2,421)
Miscellaneous	(1,107)	(981)
Postage	(182)	(177)
Bank and credit card charges	(1,686)	(2,263)
Insurance	(6,420)	(6,459)
Office equipment depreciation	(670)	(437)
	<u>(91,177)</u>	<u>(87,310)</u>
<b>Profit carried forward</b>	<u>43,989</u>	<u>47,273</u>

# Detailed profit and loss account (continued)

for the year ended 30 April 2007

	2007 £	2006 £
Profit brought forward	<u>43,989</u>	<u>47,273</u>
<b>Other operating costs</b>		
Plant repairs	(1,048)	(639)
Premises repairs	(1,237)	(388)
Staff salaries	(25,746)	(24,928)
National insurance	(2,125)	(1,998)
	<u>(30,156)</u>	<u>(27,953)</u>
<b>Other operating income</b>		
Discounts	334	852
Profit on sale of fixed assets	17,814	18,091
	<u>18,148</u>	<u>18,943</u>
<b>Operating profit</b>	31,981	38,263
<b>Interest</b>		
Interest receivable – bank	2,539	2,770
<b>Profit before tax</b>	<u>34,520</u>	<u>41,033</u>

This statement does not form part of the statutory financial statements and is for the information of the directors only