

Hills Quarry Products Limited

**Directors' Report and financial
statements**

Registered number 4320583

30 April 2011

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Director's Report

The directors present their report and the financial statements of the company for the year ended 30 April 2011

Principal activities

The company's principal activity during the year was that of sand and gravel extraction, haulage of aggregate, the sale of ready mixed concrete and inert tipping

Review of business

The market for aggregate and concrete in the UK during 2010/11 was more buoyant than expected, and apart from weather related problems in December 2010 the business experienced a reasonably good year and profits improved accordingly

The new quarry at Woodsford has had a slower start than expected but by the end of the financial year volumes were beginning to rise towards the levels required in the business plan. Volumes in the Cotswold Water Park were generally good and our concrete operations also saw improved volumes, albeit at quite tight margins

Since the end of the financial year volumes have begun to fall back as the construction market has started to decline. We have however opened a new concrete plant in Newbury and this should help to maintain our aggregate volumes. Whilst the winter of 2011/12 will no doubt again be challenging, the directors are confident that over the next few years the company will continue to be a significant contributor to group profits

Financial review

The profit for the year, after taxation, amounted to £1,078,000 (2010 £196,000). Turnover in the year increased by 37% to £16,693,000 (2010 decreased by 7% to £12,218,000)

Dividend

The directors do not recommend a final dividend (2010 £Nil)

Post balance sheet events

On 25 May 2011 a royalty agreement was signed with a landowner for a new 1,600,000 tonnes sand reserve in Abingdon, Oxfordshire

Risk management

The company's principal financial instruments comprise cash, bank borrowings, capital financing and loans between fellow group undertakings, the main purpose of which is to provide finance for its normal operations. The main risk arising from its financial instruments are interest rates risk and liquidity risk. The directors are satisfied that the company has sufficient resources to continue the operational activities of the business

The company is also exposed to other risks and other uncertainties including those associated with the impact of its operations on the environment and Government environmental policy and regulations. The directors monitor and take actions to mitigate these risks and minimise their impact

Environment

The group's environmental policy is available from the company's website at www.hills-group.co.uk. The group has undertaken an energy efficiency audit and will consider implementing energy efficient improvements identified where economically viable

Directors

The directors who served during the year, and subsequently, were as follows

AG Pardoe
MP Hill
AR Knowles
AJ Mackenzie

Directors' Report *(continued)*

Political and charitable donations

During the current and preceding year the company made no political or charitable contributions.

Employee involvement

The company continues to keep its employees informed on matters affecting them as employees by way of a thrice yearly publication called Intouch. Staff notices, emails, website, and meetings are used to communicate immediate issues with employees.

It is the group's policy to treat job applicants and employees in the same way regardless of their physical ability, gender, sexual orientation, religion, age or ethnic origin. Wherever possible, efforts are made to identify and remove barriers and provide appropriate facilities and conditions of service to meet the special needs of disadvantaged and under-represented groups. Where an employee becomes disabled whilst employed by the group arrangements are made, wherever possible, to retrain them in order to enable them to perform a job identified as appropriate to their aptitude and abilities.

The health and safety of all employees is given paramount importance by the company and during the year the Group's Health and Safety Management System was reviewed and updated. The Hills Group have appointed independent auditors to undertake annual reviews of the company's Health and Safety Management System to ensure compliance with the system and current health and safety legislation.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



MP Hill
Director

Ailesbury Court
High Street
Marlborough
Wiltshire

16 November 2011

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent
- state whether applicable UK 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Hills Quarry Products Limited

We have audited the financial statements of Hills Quarry Products Limited for the year ended 30 April 2011 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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,

Independent auditor's report to the members of Hills Quarry Products Limited
(continued)

- 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



AC Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

16 November 2011

Profit and Loss Account
for the year ended 30 April 2011

	<i>Note</i>	2011 £000	2010 £000
Turnover	2	16,693	12,218
Cost of sales		(13,386)	(9,758)
		<hr/>	<hr/>
Gross profit		3,307	2,460
Distribution costs		(1,135)	(889)
Administrative expenses		(1,394)	(1,263)
Other operating income	3	425	36
		<hr/>	<hr/>
Operating profit	4	1,203	344
Interest receivable and similar charges		2	-
Interest payable and similar charges	7	(59)	(51)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,146	293
Tax on profit on ordinary activities	8	(68)	(97)
		<hr/>	<hr/>
Profit for the financial year	17	1,078	196
		<hr/>	<hr/>

All amounts relate to continuing activities

The company has no recognised gains or losses other than those set out above in either the current or prior year and therefore no separate statement of recognised gains and losses has been prepared

Balance Sheet
at 30 April 2011

	<i>Note</i>	2011 £000	2011 £000	2010 £000	2010 £000
Fixed assets					
Tangible assets	9		14,293		13,767
Current assets					
Stocks	10	116		127	
Debtors	11	3,636		3,202	
Cash at bank and in hand		315		68	
		<u>4,067</u>		<u>3,397</u>	
Creditors: amounts falling due within one year	12	<u>(13,613)</u>		<u>(13,506)</u>	
Net current liabilities			(9,546)		(10,109)
Total assets less current liabilities			<u>4,747</u>		<u>3,658</u>
Creditors: amounts falling due after more than one year	13		(8)		(119)
Provision for liabilities and charges	15		(2,171)		(2,049)
Net assets			<u>2,568</u>		<u>1,490</u>
Capital and reserves					
Called up equity share capital	16		-		-
Profit and loss account	17		2,568		1,490
Shareholders' funds	18		<u>2,568</u>		<u>1,490</u>

The notes on pages 8 to 18 form an integral part of these financial statements

These financial statements were approved by the board of directors on 16 November 2011 and were signed on its behalf by



AR Knowles
Director

Notes

(forming part of the financial statements)

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

Going concern

Notwithstanding net current liabilities of £ £9,546,000 (2010 £10,109,000), the financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funding provided by Hills UK Limited, its ultimate parent undertaking. Hills UK Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Basis of preparation

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

Under FRS 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 Hills UK 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 Hills UK Limited can be obtained from the address given in note 25.

Aggregate levy

Aggregate levy is included within both turnover and cost of sales.

Tangible fixed assets and depreciation

Land and buildings includes freehold land, aggregate sites, and freehold buildings thereon. The company has applied the transitional rules contained in FRS 15 to retain previous valuations on the basis of which certain of these assets are held.

Freehold land is not depreciated. The cost less residual value of aggregate sites is depreciated over the estimated life of the site on the basis of the tonnage extracted.

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

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

Motor vehicles	-	over 3-4 years
Fixtures and fittings	-	over 3-5 years
Plant and machinery	-	over 5-20 years

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

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value

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

Post retirement benefits

The company is a member of Hills UK Limited's defined contribution pension scheme. The assets of the scheme are held separately from those of the group and company in independently administered funds. 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 permitted by FRS 17, 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 19

Provisions for restoration and aftercare costs

The expected costs of the restoration and aftercare of quarries 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 discount rate used was 4.5 % (2010 4.5%). The unwinding of the discount is included within cost of sales

Notes (continued)

1 Accounting policies (continued)

Provisions for restoration and aftercare costs (continued)

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 quarries. Costs are then charged to the provisions as incurred.

2 Turnover and segmental reporting

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

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

3 Other operating income

Other operating income of £425,000 (2010 £36,000) relates to profit on disposal of fixed assets.

4 Operating profit

This is stated after charging/(crediting)

	2011 £000	2010 £000
Depreciation of owned fixed assets	730	419
Depreciation of assets held under finance leases and hire purchase contracts	241	364
Rentals payable under operating lease – plant and machinery	419	106
Rentals payable under operating lease – land and buildings	1,101	720
Profit on sale of fixed assets	(425)	(36)
Auditor's remuneration – audit of these financial statements	19	19

Amounts receivable by the company's auditor and their associates in respect of services to the company and its associates, other than the audit of the company's financial statements have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent.

Notes (continued)

5 Directors' emoluments

	2011 £000	2010 £000
Emoluments	153	150

Number of directors accruing benefits in company pension schemes

	2011 No.	2010 No.
Defined benefit schemes	3	3

6 Staff costs

The aggregate payroll costs of the persons employed by the company in the year (including directors) were as follows

	2011 £000	2010 £000
Wages and salaries	1,737	1,510
Social security costs	169	148
Pension costs	279	289
	2,185	1,947

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2011 No.	2010 No.
Site based employees	41	39
Administration and sales staff	17	13
Company average including directors	58	52

7 Interest payable and similar charges

	2011 £000	2010 £000
On finance leases and hire purchase contracts	59	51

Notes (continued)

8 Taxation

	2011 £000	2010 £000
Analysis of charge in the year		
Current tax		
UK corporation tax on profits of the year	95	(227)
Adjustments in respect of previous years	(136)	-
	<hr/>	<hr/>
Total current tax	(41)	(227)
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences	153	290
Adjustments in respect of previous years	43	34
Effect of tax rate change on opening balance	(87)	-
	<hr/>	<hr/>
Total deferred tax	109	324
	<hr/>	<hr/>
Tax on profit on ordinary activities	68	97
	<hr/>	<hr/>

Factors affecting tax charge for the year

The current tax credit for the period is lower (2010 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	1,146	293
	<hr/>	<hr/>
Standard rate of corporation tax in the UK 28 % (2010, 28%)		
Profit on ordinary activities multiplied by the standard rate of corporation tax	321	82
<i>Effects of</i>		
Income not taxable for tax purposes	(121)	-
Expenses not deductible for tax purposes	7	6
Capital allowances for period in excess of depreciation	(165)	(288)
Other timing differences	(4)	3
Adjustments to tax charge in respect of previous periods	(136)	-
Non taxable proportion of capital gains profit	-	(30)
Chargeable gains	85	-
Group relief claimed	(28)	-
	<hr/>	<hr/>
Current tax credit for year	(41)	(227)
	<hr/>	<hr/>

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011

Notes (continued)

8 Taxation (continued)

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23% by 1 April 2014. The first of these changes became substantively enacted on 5 July 2011. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

The remaining changes proposed on 23 March 2011 have not yet been substantively enacted and therefore are not included in the figures above.

9 Tangible fixed assets

	Land and buildings £000	Restoration asset £000	Plant and machinery £000	Motor vehicles £000	Furniture and fittings £000	Total £000
Cost						
At 1 May 2010	9,093	485	4,845	714	18	15,155
Additions	1,466	37	106	266	23	1,898
Disposals	(404)	-	-	(143)	-	(547)
At 30 April 2011	10,155	522	4,951	837	41	16,506
Depreciation						
At 1 May 2010	138	67	974	197	12	1,388
Charge for the year	228	81	454	209	3	971
Disposals	(3)	-	-	(143)	-	(146)
At 30 April 2011	359	148	1,428	263	15	2,213
Net book value						
At 30 April 2011	9,796	374	3,523	574	26	14,293
At 30 April 2010	8,955	418	3,871	517	6	13,767

Notes (continued)

9 Tangible fixed assets (continued)

	Cost or valuation 2011 £000	Net book value 2011 £000	Cost or valuation 2010 £000	Net book Value 2010 £000
Land and buildings				
Freehold land and buildings	3,484	3,388	3,404	3,284
Short leasehold land and buildings	6,671	6,408	5,689	5,671
	<u>10,155</u>	<u>9,796</u>	<u>9,093</u>	<u>8,955</u>
			2011 £000	2010 £000
Net book value of plant and machinery included in fixed assets held under finance leases and hire purchase contracts			754	995

The depreciation charged in the year for the assets held under finance leases was £241,000 (2010 £364,000)

10 Stocks

	2011 £000	2010 £000
Raw materials and consumables	<u>116</u>	<u>127</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

11 Debtors

	2011 £000	2010 £000
Trade debtors	3,322	2,752
Other debtors	85	224
Corporation tax	229	226
	<u>3,636</u>	<u>3,202</u>

All debtors are due within one year

Notes (continued)

12 Creditors amounts falling due within one year

	2011 £000	2010 £000
Obligations under finance leases and hire purchase contracts	1,899	2,114
Trade creditors	682	620
Amounts owed to group undertakings	8,962	8,798
Other taxes and social security costs	900	691
Accruals and deferred income	1,170	1,283
	<u>13,613</u>	<u>13,506</u>

13 Creditors amounts falling due after one year

	2011 £000	2010 £000
Obligations under finance lease and hire purchase contracts	8	119
	<u>8</u>	<u>119</u>

14 Obligations under finance leases and hire purchase contracts

	2011 £000	2010 £000
Amounts payable		
Within one year	1,899	2,114
In the second to fifth years	8	119
	<u>1,907</u>	<u>2,233</u>

15 Provisions for liabilities

	Deferred taxation 2011 £00	Site restoration and aftercare 2011 £00	Total 2011 £00
At beginning of year	1,169	880	2,049
Charge to the profit and loss account for the year	109	37	146
Amounts used	-	(24)	(24)
At end of year	<u>1,278</u>	<u>893</u>	<u>2,171</u>

Notes (continued)

15 Provisions for liabilities (continued)

The elements of deferred taxation are as follows

	2011 £000	2010 £000
Accelerated capital allowances	1,278	1,176
Other timing differences	-	(7)
	<u>1,278</u>	<u>1,169</u>
Provision for deferred tax	<u>1,278</u>	<u>1,169</u>

The timing of the expected cash flows of the site restoration and aftercare provision are estimated on a site by site basis over the period covering the operational life of the site, its full restoration when completed, and the continuing appropriate aftercare period following restoration. The amounts and timing of the expected outflows are uncertain due to the projection of costs over this period of time.

The restoration and aftercare provision has been discounted using an annual discount rate of 4.5 % (2010 4.5%)

The provision for deferred taxation has not been discounted

16 Share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

17 Profit and loss account

	2011 £000
At beginning of the year	1,490
Profit for the financial year	1,078
	<u>2,568</u>
At end of the year	<u>2,568</u>

Notes (continued)

18 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
At beginning of the year	1,490	1,294
Profit for the financial year	1,078	196
	<hr/>	<hr/>
At end of the year	2,568	1,490
	<hr/>	<hr/>

19 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 independently administered funds. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

For the year to 30 April 2011 the total contributions paid were £27,000 (2010 £15,000).

Defined benefit pension scheme

Four directors are members of the parent company's (Hills UK Limited) defined benefit pension scheme (2010 *four directors*). The assets of the scheme are held separately from those of the company and group.

The most recent valuation of the scheme at 1 July 2009 has been updated by the actuary on an FRS17 basis on 30 April 2011 and the previous valuation at 1 July 2007 was updated on 30 April 2010.

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 FRS 17 being adopted in the consolidated financial statements of the parent company, Hills UK Limited, which can be obtained from the address given in note 25. The amount charged against profit for this scheme amounted to £240,000 (2010 £274,000) in respect of the employed members of the scheme and one of the directors. There is no cost included for the contributions payable in respect of the other directors in these financial statements as they are included in those of The Hills Group limited which is also a wholly owned subsidiary of Hills UK Ltd.

As at 30 April 2011 the assets of the scheme were £17,616,000 (2010 £15,724,000) and the liabilities were £18,870,000 (2010 £21,661,000) producing a deficit £1,254,000 (2010 £5,937,000) as valued in the FRS 17 report produced by the scheme's actuary, Scottish Widows plc.

Notes (continued)

20 Capital commitments

	2011 £000	2010 £000
Amounts contracted for but not provided in the accounts	70	22

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 2011 £000	Other 2011 £000	Land and buildings 2010 £000	Other 2010 £000
Operating leases which expire				
Within one year	-	-	-	-
In second to fifth years	69	10	69	10
Over five years	1,244	-	115	-
	<u>1,313</u>	<u>10</u>	<u>184</u>	<u>10</u>

22 Related party disclosures

During the year transactions have been made with Cotswold Aggregates Limited, a company jointly controlled by Hills UK Limited and Aggregate Industries UK Limited

Transactions

Recharges totalling £3,958 (2010 £45,071) were made, being management fees of £3,750 (2010 £7,500 and £208 (2010 £39,650) in respect of other profit and loss items

At the end of the year Hills Quarry Products Limited was owed £1,000 (2010 £6,000) by Cotswold Aggregates Limited

23 Contingent liabilities

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

24 Ultimate parent undertaking

The company is a wholly owned subsidiary undertaking of The Hills Group Limited which in turn is a wholly owned subsidiary of Hills UK Limited which is registered in England and Wales. These results are included in the consolidated financial statements of Hills UK Limited, which may be obtained from

Ailesbury Court
High Street
Marlborough
Wiltshire
SN8 1AA