

Company Registration No. SC334328 (Scotland)

**HILLWOOD HOLDINGS LIMITED**

**DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2010**

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# HILLWOOD HOLDINGS LIMITED

## COMPANY INFORMATION

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**Directors**

O G Dereham  
M H P Prenter  
P R Prenter  
R G S Prenter  
B Thomson

**Secretary**

R G S Prenter

**Company number**

SC334328

**Registered office**

Quartermile Two  
2 Lister Square  
Edinburgh  
EH3 9GL

**Auditors**

Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh  
EH3 6AD

**Bankers**

Bank of Scotland  
Almondvale  
Livingston  
West Lothian  
EH54 6SN

**Solicitors**

Morton Fraser LLP  
Quartermile Two  
2 Lister Square  
Edinburgh  
EH3 9GL

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**HILLWOOD HOLDINGS LIMITED**

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# **HILLWOOD HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2010**

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The directors present their report and financial statements for the year ended 30 April 2010.

#### **Principal activities**

On 30 April 2009, the trade, assets and liabilities of Hillwood Investments Limited, a wholly owned subsidiary, were transferred to the company. On 1 May 2009, the company commenced the activity of managing its investments.

#### **Directors**

The following directors have held office since 1 May 2009:

O G Dereham

R A Grant

(Resigned 20 May 2010)

M H P Prenter

P R Prenter

R G S Prenter

B Thomson

In accordance with the articles of association, O G Dereham, R G S Prenter and B Thomson will retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election.

#### **Auditors**

In accordance with the company's articles, a resolution proposing that Geoghegans be reappointed as auditors of the company will be put at to the Annual General Meeting.

#### **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.

# **HILLWOOD HOLDINGS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2010**

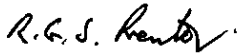
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### **Statement of disclosure to auditors**

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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



R G S Prenter

**Director**

1 October 2010

# **HILLWOOD HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HILLWOOD HOLDINGS LIMITED**

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We have audited the financial statements of Hillwood Holdings Limited for the year ended 30 April 2010 set out on pages 5 to 15. 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 30 April 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 is consistent with the financial statements.

# **HILLWOOD HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF HILLWOOD HOLDINGS LIMITED**

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#### **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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

**Iain Binnie (Senior Statutory Auditor)**  
**for and on behalf of Geoghegans**

1 October 2010

**Chartered Accountants**  
**Statutory Auditor**

6 St Colme Street  
Edinburgh  
EH3 6AD

# HILLWOOD HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2010

	Notes	Year ended 30 April 2010 £	Period ended 30 April 2009 £
Turnover		17,749	-
Administrative expenses		(14,811)	(2,358)
<b>Operating profit/(loss)</b>	<b>2</b>	<b>2,938</b>	<b>(2,358)</b>
Intercompany balance written off		4,011	4,873,747
<b>Profit on ordinary activities before interest</b>		<b>6,949</b>	<b>4,871,389</b>
Profit on disposal of fixed asset investments		22,749	-
Investment income	<b>3</b>	93,313	178,870
Other interest receivable and similar income		8,483	2
Amounts written off investments	<b>4</b>	-	(229,320)
<b>Profit on ordinary activities before taxation</b>		<b>131,494</b>	<b>4,820,941</b>
Tax on profit on ordinary activities	<b>5</b>	(14,867)	-
<b>Profit for the year</b>	<b>12</b>	<b>116,627</b>	<b>4,820,941</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.



# **HILLWOOD HOLDINGS LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 APRIL 2010**

	<b>Year ended 30 April 2010 £</b>	<b>Period ended 30 April 2009 £</b>
<b>Notes</b>		
<b>Profit for the financial year</b>	116,627	4,820,941
Unrealised surplus on fixed asset investments	412,040	-
<b>Total recognised gains and losses relating to the year</b>	<u>528,667</u>	<u>4,820,941</u>

# HILLWOOD HOLDINGS LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2010

	Notes	£	2010 £	£	2009 £
<b>Fixed assets</b>					
Tangible assets	7		127,844		127,844
Investments	8		4,813,005		4,684,272
			<u>4,940,849</u>		<u>4,812,116</u>
<b>Current assets</b>					
Debtors	9	338,292		192,903	
Cash at bank and in hand		54,852		87,195	
		<u>393,144</u>		<u>280,098</u>	
<b>Creditors: amounts falling due within one year</b>	10	(53,181)		(220,823)	
<b>Net current assets</b>			<u>339,963</u>		<u>59,275</u>
<b>Total assets less current liabilities</b>			<u>5,280,812</u>		<u>4,871,391</u>
<b>Capital and reserves</b>					
Called up share capital	11		229,320		229,320
Profit and loss account	12		5,051,492		4,642,071
<b>Shareholders' funds</b>	13		<u>5,280,812</u>		<u>4,871,391</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 1 October 2010



R G S Prenter  
Director

Company Registration No. SC334328

# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the valuation of fixed asset investments at market value.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 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.

#### 1.3 Turnover

Turnover represents rental income receivable.

#### 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:

Land and buildings Freehold	Nil
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No depreciation is charged on freehold land and building as it is the opinion of the directors that these are increasing in value and the current market value is greater than the value shown in the accounts.

#### 1.5 Investments

Listed investments are stated at market value, with changes in value being credited or charged to the profit and loss reserve. Unlisted investments are stated at cost, less any provision for any diminution in value where market value is lower than cost.

#### 1.6 Deferred taxation

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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 the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### 1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

# **HILLWOOD HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2010**

<b>2</b>	<b>Operating profit/(loss)</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Operating profit/(loss) is stated after charging:		
	Auditors' remuneration	2,500	2,350
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Investment income</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Income from shares in group undertakings	-	178,870
	Income from other fixed asset investments	93,313	-
		<u>          </u>	<u>          </u>
		93,313	178,870
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Amounts written off investments</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	229,320
		<u>          </u>	<u>          </u>

# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2010

5	Taxation	2010 £	2009 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	14,867	-
	<b>Current tax charge</b>	<u>14,867</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>131,494</u>	<u>4,820,941</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>36,818</u>	<u>1,349,863</u>
	Effects of:		
	Non deductible expenses	117	-
	Tax losses utilised	(660)	-
	Gain on disposal of fixed asset investments	(6,370)	-
	Investments written off	-	64,210
	Dividends received	(13,915)	(50,084)
	Intercompany balance written off	(1,123)	(1,364,649)
	Other tax adjustments	-	660
		<u>(21,951)</u>	<u>(1,349,863)</u>
	<b>Current tax charge</b>	<u>14,867</u>	<u>-</u>
6	<b>Dividends</b>	<b>2010 £</b>	<b>2009 £</b>
	2008 interim dividend paid of 26p	-	59,624
	2009 final dividend paid of 26p (2008: 26p)	59,623	59,623
	2010 interim dividend paid of 26p (2009: 26p)	59,623	59,623
		<u>119,246</u>	<u>178,870</u>

The directors have proposed a final dividend for 2010 of 26p per share. This dividend is subject to approval by shareholders at the Annual General Meeting on 17 December 2010 and, in accordance with FRS 21 has not been included as a liability in these financial statements.

# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2010

### 7 Tangible fixed assets

	Land and buildings £
<b>Cost</b>	
At 1 May 2009 & at 30 April 2010	127,844
<b>Depreciation</b>	
At 1 May 2009 & at 30 April 2010	-
<b>Net book value</b>	
At 30 April 2010	127,844
At 30 April 2009	127,844

# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2010

#### 8 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings and participating interests	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 2009	2,494,249	2,190,023	229,320	4,913,592
Additions	2,172,842	4,943,586	-	7,116,428
Revaluation	412,040	-	-	412,040
Disposals	(1,760,684)	(5,639,051)	-	(7,399,735)
At 30 April 2010	3,318,447	1,494,558	229,320	5,042,325
<b>Provisions for diminution in value</b>				
At 1 May 2009 & at 30 April 2010	-	-	229,320	229,320
<b>Net book value</b>				
At 30 April 2010	3,318,447	1,494,558	-	4,813,005
At 30 April 2009	2,494,249	2,190,023	-	4,684,272

Unlisted investments include investment cash of £545,639 (2009 - £1,719,470).

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Hillwood Investments Limited	Scotland	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2010 £	Profit/(loss) for the year 2010 £
Hillwood Investments Limited	Dormant	-	-

# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2010

9 Debtors	2010 £	2009 £
Other debtors	<u>338,292</u>	<u>192,903</u>
10 Creditors: amounts falling due within one year	2010 £	2009 £
Taxation and social security	14,867	-
Other creditors	<u>38,314</u>	<u>220,823</u>
	<u>53,181</u>	<u>220,823</u>
11 Share capital	2010 £	2009 £
<b>Authorised</b>		
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
<b>Allotted, called up and fully paid</b>		
229,320 Ordinary shares of £1 each	<u>229,320</u>	<u>229,320</u>
12 Statement of movements on profit and loss account		<b>Profit and loss account £</b>
Balance at 1 May 2009		4,642,071
Profit for the year		116,627
Unrealised gain on investments		412,040
Dividends paid		<u>(119,246)</u>
Balance at 30 April 2010		<u>5,051,492</u>



# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2010

13 Reconciliation of movements in shareholders' funds	2010 £	2009 £
Profit for the financial year	116,627	4,820,941
Unrealised gain/(loss) on investments	412,040	-
Dividends	(119,246)	(178,870)
	<hr/>	<hr/>
	409,421	4,642,071
Proceeds from issue of shares	-	229,320
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	409,421	4,871,391
Opening shareholders' funds	4,871,391	-
	<hr/>	<hr/>
Closing shareholders' funds	5,280,812	4,871,391
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#### 14 Control

In the opinion of the directors there is no ultimate controlling party.

# HILLWOOD HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2010

#### 15 Related party relationships and transactions

##### Dividends to Directors

During the period, the following dividends were paid to directors:

	2010	2009
	£	£
M H P Prenter	13,634	20,451
P R Prenter	26,026	39,039
R G S Prenter	15,618	23,427
	<u>55,278</u>	<u>82,917</u>

##### Other transactions

During the period ended 30 April 2009, the company received dividends amounting to £178,870 from Hillwood Investments Limited, a wholly owned subsidiary.

On 30 April 2009 the assets and liabilities of Hillwood Investments Limited were transferred to the company for consideration equal to the net book value of the assets and liabilities of Hillwood Investments Limited at the date of the transfer. The resulting intercompany balance of £4,873,747 was written off as at 30 April 2009.

During the year the company received a tax refund on behalf of Hillwood Investments Limited of £4,011. The resulting intercompany balance was written off.

Included in other creditors is a balance due to MacTaggart Scott & Co Limited, a company under common control, amounting to £184 (2009: £64,751).

Included within debtors is a balance in respect of a loan made to MacScott Pty, a company registered in South Africa and in which R G S Prenter and M H P Prenter are shareholders. Interest is charged on this loan at a rate of 5.5% per annum and there is no fixed redemption date. Interest charged during the year amounted to £8,121 (2009: £nil) The balance due from MacScott Pty at 30 April 2010 amounted to £183,665 (2009: £175,543).