

# N Hillman & Sons Contractors Limited

## FINANCIAL STATEMENTS

for the year ended

31 January 2009

**REGISTRAR OF  
COMPANIES**



*Company number 787518*

**N Hillman & Sons Contractors Limited**  
**DIRECTORS AND OFFICERS**

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**DIRECTORS**

AW Hillman  
GA Hillman

**SECRETARY**

GA Hillman

**COMPANY NUMBER**

787518 (England and Wales)

**REGISTERED OFFICE**

46-48 Ennersdale Road  
London SE13 6JB

**AUDITOR**

Baker Tilly UK Audit LLP  
Chartered Accountants  
Lancaster House  
7 Elmfield Road  
Bromley  
Kent BR1 1LT

# N Hillman & Sons Contractors Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of N Hillman & Sons Contractors Limited for the year ended 31 January 2009.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was the provision of building services and property developers.

### DIRECTORS

The following directors have held office since 1 February 2008:

AW Hillman  
GA Hillman

### CHARITABLE DONATIONS

During the year the company made charitable contributions totalling £950 to local causes.

### AUDITOR

The auditor, Baker Tilly UK Audit LLP, has indicated its willingness to continue in office.

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



GA Hillman  
Secretary

# N Hillman & Sons Contractors Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

# N Hillman & Sons Contractors Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF N HILLMAN & SONS CONTRACTORS LIMITED

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We have audited the financial statements on pages 5 to 12.

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 opinion we have formed.

### Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 other transactions 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

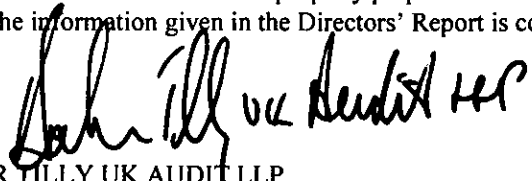
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

### 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 at 31 January 2009 and of its profit for the year then ended and 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.

  
BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
Bromley

1 May 2009

# N Hillman & Sons Contractors Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 January 2009

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	<i>Notes</i>	2009 £	2008 £
TURNOVER	1	3,572,188	1,302,232
Cost of sales		3,015,511	1,294,096
Gross profit		556,677	8,136
Administration expenses		434,244	413,214
OPERATING PROFIT/(LOSS)		122,433	(405,078)
Investment income	2	185,039	155,804
		307,472	(249,274)
Interest payable	3	188,281	214,559
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	119,191	(463,833)
Taxation		-	-
PROFIT/(LOSS) FOR THE YEAR	13	119,191	(463,833)

The operating result for the year arises from the company's continuing operations.

There are no movements in shareholders funds other than the profit/loss arising in the current or previous year.

There are no recognised gains or losses in either the current or previous years other than the profit/loss set out above.

# N Hillman & Sons Contractors Limited

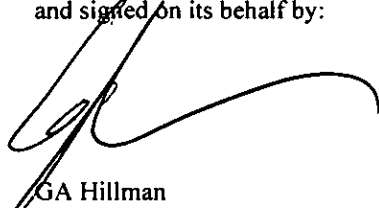
## BALANCE SHEET

31 January 2009

	<i>Notes</i>	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	6	4,600,097	4,318,355
<b>CURRENT ASSETS</b>			
Work in progress	7	-	1,684,557
Debtors	8	625,021	153,735
Cash at bank		30,415	8,921
		655,436	1,847,213
CREDITORS: Amounts falling due within one year	9	492,932	4,249,684
NET CURRENT ASSETS/(LIABILITIES)		162,504	(2,402,471)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,762,601	1,915,884
CREDITORS: Amounts falling due after more than one year	10	2,727,526	-
PROVISIONS FOR LIABILITIES AND CHARGES	11	-	-
NET ASSETS		2,035,075	1,915,884
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Revaluation reserve	13	1,836,519	1,836,519
Profit and loss account	13	198,456	79,265
SHAREHOLDERS' FUNDS		2,035,075	1,915,884

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 12 were approved by the board, authorised for issue on 30 April 2009 and signed on its behalf by:



GA Hillman  
Director

# N Hillman & Sons Contractors Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties.

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 1985 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Details of the current value and historical cost information for investment properties are given in Note 6.

### TANGIBLE FIXED ASSETS

Tangible fixed assets, other than investment properties, are stated at historical cost.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance

Investment properties are revalued annually by the directors on an open market basis. No depreciation is provided on freehold investment properties or on leasehold investment properties where the unexpired lease term exceeds 20 years.

### WORK IN PROGRESS

Work in progress is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated final contract value less further costs expected to be incurred to completion.

### 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. 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 timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.



# N Hillman & Sons Contractors Limited

## ACCOUNTING POLICIES

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### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### RETIREMENT BENEFITS

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs are the contributions payable in the year.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Turnover on projects is recognised on a percentage completion basis as supported by appropriate valuations. Sales of completed property developments are recognised on the transfer of the risks and rewards of ownership, which is in practice usually on legal completion.

# N Hillman & Sons Contractors Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2009

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1      **TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The company's turnover and profit before taxation were all derived from its principal activity. Sales were all made in the United Kingdom.

	2009	2008
	£	£
2 <b>INVESTMENT INCOME</b>		
Rent receivable	183,956	154,130
Interest receivable	1,083	1,674
	<u>185,039</u>	<u>155,804</u>

	2009	2008
	£	£
3 <b>INTEREST PAYABLE</b>		
On bank loans and overdrafts	188,281	214,559
	<u>188,281</u>	<u>214,559</u>

	2009	2008
	£	£
4 <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
- owned assets	15,786	22,271
Loss on disposal of fixed assets	1,251	3,599
Auditors' remuneration	12,000	9,500
	<u>29,037</u>	<u>35,370</u>

	2009	2008
	£	£
5 <b>DIRECTORS' REMUNERATION</b>		
Directors' emoluments	44,782	60,000
	<u>44,782</u>	<u>60,000</u>

# N Hillman & Sons Contractors Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2009

### 6 TANGIBLE FIXED ASSETS

	<i>Investment properties</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost or valuation				
1 February 2008	4,260,484	45,377	125,103	4,430,964
Additions	300,000	1,379	-	301,379
Disposals	-	-	(6,684)	(6,684)
31 January 2009	4,560,484	46,756	118,419	4,725,659
Depreciation				
1 February 2008	-	33,520	79,089	112,609
Charged in the year	-	4,382	11,404	15,786
Disposals	-	-	(2,833)	(2,833)
31 January 2009	-	37,902	87,660	125,562
Net book value				
31 January 2009	4,560,484	8,854	30,759	4,600,097
31 January 2008	4,260,484	11,857	46,014	4,318,355

The latest valuations of properties were made as at 31 January 2009 by the directors on an existing use open market basis in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of The Royal Institute of Chartered Surveyors. No depreciation is provided in respect of investment properties or freehold properties under construction.

The historic cost of the properties included at valuation within investment properties is £2,723,965 (2008: £2,423,965).

If the properties had been sold for their market value at 31 January 2009, in the opinion of the directors, a tax liability in the region of £514,000 (2008 - £514,000) would have crystallised. No provision is included in these financial statements for this potential liability.

# N Hillman & Sons Contractors Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2009

	2009	2008
7	£	£
STOCKS		
Work in progress and land held for development	-	1,684,557
	<u>          </u>	<u>          </u>
	2009	2008
8	£	£
DEBTORS		
Due within one year:		
Trade debtors	249,250	52,853
Amounts recoverable on contracts	369,981	-
Prepayments and accrued income	5,790	6,744
Other debtors	-	94,138
	<u>625,021</u>	<u>153,735</u>
	<u>          </u>	<u>          </u>
	2009	2008
9	£	£
CREDITORS: Amounts falling due within one year		
Bank loans and overdraft	302,248	3,593,921
Trade creditors	112,397	226,024
Other taxation and social security costs	14,730	18,639
Other creditors and accruals	63,547	411,100
	<u>492,932</u>	<u>4,249,684</u>
	<u>          </u>	<u>          </u>
The bank loan is secured.		
	2009	2008
10	£	£
CREDITORS: Amounts falling due in more than one year		
Bank overdraft	2,727,526	-
	<u>          </u>	<u>          </u>
Repayable by instalments:		
Bank overdraft		
In more than one year but not more than two years	2,727,526	-
	<u>          </u>	<u>          </u>
The bank overdraft is secured.		

# N Hillman & Sons Contractors Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2009

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### 11 PROVISIONS FOR LIABILITIES AND CHARGES

Corporation tax losses carried forward for relief amount to approximately £385,000 (2008: £509,000). However, the directors did not consider their utilisation against profits sufficiently foreseeable to enable these to be carried as a deferred tax asset.

12	SHARE CAPITAL	2009 £	2008 £
	Authorised: 100 ordinary shares of £1 each	100	100
	Allotted, issued and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

13	RESERVES	Revaluation reserve £	Profit and loss £	Total £
	1 February 2008	1,836,519	79,265	1,915,784
	Profit for the year	-	119,191	119,191
	31 January 2009	<u>1,836,519</u>	<u>198,456</u>	<u>2,034,975</u>

The revaluation reserve relates to the freehold investment properties only.

### 14 TRANSACTIONS WITH DIRECTORS

The balance owing to Mr GA Hillman at the end of the year was £2,044 (2008: £3,850).

### 15 CONTROL

The directors are considered to control the company by virtue of their majority shareholding.