

**Hills Quarry Products Limited**  
Annual report and financial statements  
Registered number 04320583  
30 April 2025

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## Strategic report

### Principal activities

The company's principal activities during the year were that of sand and gravel extraction and sale, haulage of aggregate, the production and sale of ready mixed concrete and the tipping of inert materials for restoration.

### Review of the business

The company's business concerns the extraction and sale of sand and gravel from seven quarries located within Wiltshire, Gloucestershire, Berkshire, Oxfordshire and Dorset. Alongside these quarries we operate eight Ready Mixed Concrete Plants which are supplied with a mixture of material from our own plants and material bought in.

The downwards trend in activity of the aggregate and concrete markets in the UK noted in last year's accounts have continued throughout the 2024/25 year. This is a downturn which has affected the whole industry and recent press announcements from the Mineral Products Association (MPA) have highlighted its extent. In August the MPA announced that sales volumes of ready mixed concrete in Q2 2025 were 11.5% below Q2 2024 and that volumes were at a 62 year low. Sand and gravel sales in Q2 2025 were also 11.7% below Q2 2024 and annually down by 7.9% following two years of similar decline in 2023 and 2024. The delays in the planning process coupled with difficult funding conditions for major construction projects have been major contributing factors to the reduced market demand.

We have seen the benefit from the measures taken in the Cotswold Water Park to mitigate the impact seen last year from high rainfall on production throughout the winter months and compared to the national figures reported our concrete sales have held up well. Overall though, the picture has been one of a year where we have fallen short of our business plans.

Gaining planning consent for Airfield Quarry in the Cotswold Water Park was a positive development during the year. This reserve will enable us to continue operations in the region for many more years to come and should come onstream during the 2026/27 year. The search for new reserves is always an important issue and is becoming increasingly challenging. We are, however, pursuing several other opportunities.

We anticipate current market conditions to prevail, and given the likely time needed for the improved interest rates and planning reforms, we are not likely to see much of an improvement in demand until later next year. We are therefore expecting the current financial year to be another tough year. The longer-term outlook for this business, however, remains positive and, given current levels of aggregate reserves, the company should make a more significant contribution to Group profits in the years to come.

### Principal risks and uncertainties

The principal risk and uncertainty facing the company in the long term is the increasingly challenging environment for securing new planning consents. However, we are confident that the economy's overriding need for construction materials and our track record in ecologically sustainable development and restoration should assist in securing new reserves.

The company currently has a healthy land bank of consented reserves and development opportunities which should ensure a strong presence in the market for years to come.

The inflationary pressure experienced over the last 18 months has eased in recent months but is still a significant risk for the business, as is the risk of inflation leading to a period of recession in the general economy. Both of these factors could impact our business moving forwards. In terms of the risk from inflation we have some level of protection with our cost of sales as 55% of aggregate sold is from our own reserves or from sites with existing royalty arrangements linked to our sales price.

### Financial review

A loss was recorded for the year, after taxation, which amounted to £1,773,000 (2024: profit £560,000). Turnover in the year was 4.4% lower than the previous year at £40,185,000 (2024: £42,050,000).

The gross profit margin for the year ended 30 April 2025 has declined significantly to 10.7% (2024: 15.2%) as margins have been squeezed by the lower overall demand.

Bank borrowings, finance lease creditors, and net amounts owed to group companies as at 30 April 2025 were £14,569,000 (2024: £10,760,000), representing an increase of £3,809,000 over the year due to the investment made into new fixed assets of £2,418,000 and advanced royalty payments on new reserves. Cash flow from trading operations was positive despite the trading losses.

We are expecting that the results in the 2025/2026 financial year will show a modest improvement from the year being reported but will remain significantly below long-term levels.

## Strategic report (continued)

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

The company also recognises the increasing risk posed by cyber attack as our management systems and customer interface move onto online and electronic platforms. The group currently holds Cyberessential+ accreditation and has also appointed specialist advisors to help managing this risk and data security.

The recent significant increases in the rate of inflation also present a risk to the company in that the amount we charge to our customers may not necessarily be able to be increased in line with the increase in costs we incur. Although sales prices are subject to market rate fluctuations, we naturally seek to protect profit margin by increasing sales prices where possible.

There is also considerable commentary at present that the cost of living crisis and increases in interest rates will lead to a recession in the UK economy. House building activity could be expected to be impacted by an economic downturn and this sector is an important one for the Quarry Products industry. The magnitude of these risks are difficult at this stage to quantify but the directors are satisfied that the company has sufficient resources to continue operations until more favourable conditions return.

### Employee involvement

The company continues to keep its employees informed on matters affecting them as employees by way of the group's award winning Intouch magazine and Safer for All newsletter. Staff notices, emails, website and meetings are used to communicate immediate issues with employees. The group operates an employee engagement programme "Move to improve" that actively seeks and rewards employees for submitting business improvements ideas for consideration by senior management.

During the year the company has continued to raise awareness of mental health issues and promote employee access to support services offered under employee assistance programmes.

The company's employment practices and policies ensure that job applicants and all employees are treated in an equal and fair manner. Alongside publishing mandatory gender pay details, we publish group wide gender pay details to help improve transparency on our website. Wherever possible, efforts are made to provide appropriate facilities and conditions of service to meet the work-place requirements of all employees' including those with protected characteristics or disability. Where an employee becomes disabled whilst employed by the company, arrangements are made, wherever possible, to retrain them 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. During the year independent auditor's undertake reviews of company sites to review compliance with the company's health and safety management system and relevant legislation. The company has an employee health and safety committee made up of appointed volunteers representing work colleagues that meets at regular intervals and runs a near miss reporting scheme to allow employees to report in a quick and dynamic manner health and safety and environmental concerns to managers and supervisors.

The group has implemented an online training platform named Learning For All that it is being rolled out to all employees alongside existing training programmes. Learning For All will provide competence and skills training for employees and the opportunity to benefit from continued development across all areas of our business.

### Environment

The group's environmental policy is available from the company's website at [www.hills-group.co.uk](http://www.hills-group.co.uk). As part of The Hills Group the company is looking at ways to reduce the carbon footprint of our activities and benefit from transitioning to green technologies. The Hills Group are developing a strategy to meet the Government's target of a zero-carbon emissions economy by 2050 and the company will be setting its own targets and goals.

### Streamlined Energy and Carbon Reporting (SECR)

The company has opted to include its SECR reporting disclosures in the independently produced report published in the consolidated accounts of its ultimate parent company Hills UK Limited. These accounts can be obtained from the contact details given in note 26.

## Strategic report (continued)

### Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- a) likely consequences of any decisions in the long-term;
- b) interests of the company's employees;
- c) need to foster the company's business relationships with suppliers, customers and others;
- d) impact of the company's operations on the community and environment;
- e) desirability of the company maintaining a reputation for high standards of business conduct; and
- f) need to act fairly as between members of the company.

In discharging its section 172 duties the company has regard to the factors set out above. In doing so the company has regard to directives and policies set by The Hills Group Board and delegates authority for day-to-day management to line management and designated sub-committees that hold operational responsibility for engaging in setting, approving and overseeing the execution of the business strategy and related policies. The Chairman, Chief Executive, and Finance Director of the company are members of The Hills Group board and Finance Committee and evaluate and report on the operational performance of the company to the group board.

The company also has regard to other factors which it considers relevant to the decision-making process including engagement with regulatory authorities and involvement in industry trade bodies of which it is a member.

The company has established core values and a supporting policy framework developed by The Hills Group board. In the decision-making process to deliver its strategic priorities the executives are guided by the policy framework with the aim of ensuring that the decisions taken are consistent and adhere with the company and group core values.

Risk and compliance, legal, pensions, stakeholder-related matters, diversity and inclusivity, corporate responsibility matters, health and safety matters and environmental compliance are reviewed at management meetings, and meetings of group designated sub-committees.

The company reviews financial and operational performance and other matters as they arise over the course of the financial year. This is done through review at management meetings and presentations to the group board. Reports for consideration and discussion, as required, are sent to management and directors in advance of meetings.

Stakeholder engagement is primarily undertaken at an operational level and is a priority for the company due to the impact our business activities can have on neighbouring local communities and the surrounding environment. An important part of our stakeholder engagement programme are the regular liaison meetings held at our sites attended by senior management with representatives of the local community and other invited stakeholders to discuss and feedback on our operations.

The interests and views of the company's key stakeholders alongside other relevant factors are considered when making decisions. This information is published and presented in a variety of formats for use within the company but also in public facing documents. As a result of this the company's management have an understanding of the nature of the stakeholders' concerns whilst discharging their responsibilities in compliance with the section 172 duty and promoting the success of the company.

During the financial year the company has had regard to the matters set out in section 172(1)(a)-(f) when deciding on the company's dividend payment. In making this decision the Board considers a range of factors, included the long-term viability of the company, expected cash flow and financing requirements, and funding for strategic investment in our business and workforce.

By order of the board



MP Hill  
Director

27 November 2025

Registered number - 04320583

County Park Business Centre  
Shrivenham Road  
Swindon  
Wiltshire  
SN1 2NR

## Directors' report

The directors present their report and the financial statements of the company for the year ended 30 April 2025.

### Dividend

During the year a dividend of £nil (2024: £nil) was paid to the parent company and sole shareholder, The Hills Group Limited. The directors do not recommend a final dividend (2024: £nil).

### Directors

The directors who served during the year and to the date of this report were as follows:

AG Pardoe	(Resigned 30 <sup>th</sup> September 2025)
MP Hill	
JW Hobin-Bucksey	(Appointed 1 <sup>st</sup> May 2024)
EH Dodd	(Appointed 1 <sup>st</sup> May 2024)
S Huntly	(Appointed 4 <sup>th</sup> November 2024)
PF Andrew	(Resigned 31 <sup>st</sup> December 2024)

### Political donations

During the year the company made charitable donations of £3,188 (2024: £4,928). During the current and preceding year the company made no political contributions.

### Other information

An indication of research and development, employee involvement, likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report on page 1.

### 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 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 BDO LLP will therefore continue in office.

By order of the board



EH Dodd  
Director

27 November 2025

County Park Business Centre  
Shrivenham Road  
Swindon  
Wiltshire  
SN1 2NR

## **Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the strategic report, 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;
- 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 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.

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

### Opinion on the 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 2025 and of its loss 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.

We have audited the financial statements of Hills Quarry Products Limited ("the Company") for the year ended 30 April 2025 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### *Conclusions relating to going concern*

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### *Other information*

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

### ***Other Companies Act 2006 reporting***

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### ***Responsibilities of Directors***

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Extent to which the audit was capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### ***Non-compliance with laws and regulations***

Based on:

- Our understanding of the Company and the industry in which it operates.
- Discussion with management and those charged with governance.
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK accounting standards and applicable law, and UK tax legislation.

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

### *Auditor's responsibilities for the audit of the financial statements (continued)*

#### *Non-compliance with laws and regulations (continued)*

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK tax legislation and UK employment law.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and Regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud.
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be in relation to revenue recognition and management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria (including entries posted to revenue), by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in respect of restoration and aftercare provisions;
- Reviewing unadjusted audit differences for indications of bias or deliberate misstatement; and
- Incorporating an element of unpredictability in our response to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

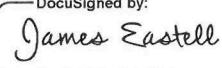
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

### Use of our report

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.

DocuSigned by:  
  
James Eastell  
ACDBBDEF1FD247D...

James Eastell (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Bristol, UK

28 November 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Profit and Loss Account**  
 for the year ended 30 April 2025

	<i>Note</i>	2025 £000	2024 £000
<b>Turnover</b>	2	<b>40,185</b>	42,050
Cost of sales		(35,894)	(35,641)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>4,291</b>	6,409
Distribution costs		(2,034)	(2,364)
Administrative expenses		(4,533)	(4,137)
Other operating income	3	<b>135</b>	237
		<hr/>	<hr/>
<b>Operating (loss) / profit</b>	4	<b>(2,141)</b>	145
Interest receivable and similar charges	18	<b>129</b>	-
Interest payable and similar charges	7	(264)	(252)
		<hr/>	<hr/>
<b>(Loss) before taxation</b>		<b>(2,276)</b>	(107)
Tax on (loss)	8	<b>503</b>	667
		<hr/>	<hr/>
<b>(Loss) / profit for the financial year</b>		<b>(1,773)</b>	560
		<hr/>	<hr/>

All amounts relate to continuing activities.

The company has no items of other comprehensive income.

The notes on pages 13 to 25 form an integral part of these financial statements.

**Balance Sheet**  
 at 30 April 2025

	<i>Note</i>	2025 £000	2024 £000	2024 £000	2024 £000
<b>Fixed assets</b>					
Intangible assets	9		91		105
Tangible assets	10	20,940		22,669	
		21,031		22,774	
<b>Current assets</b>					
Stocks	11	586		515	
Debtors (including £704,000 (2024: £1,033,000) due after more than one year)	12	11,560		10,871	
Cash at bank and in hand		66		64	
		12,212		11,450	
<b>Creditors: amounts falling due within one year</b>	13	(18,321)		(15,458)	
<b>Net current liabilities</b>			(6,109)		(4,008)
<b>Total assets less current liabilities</b>			14,922		18,766
<b>Creditors: amounts falling due after more than one year</b>	14		(1,088)		(1,864)
<b>Provision for liabilities and charges</b>					
Deferred tax liability	17	(1,873)		(2,301)	
Other provisions	18	(3,764)		(4,631)	
		(5,637)		(6,932)	
<b>Net assets</b>			8,197		9,970
<b>Capital and reserves</b>					
Called up share capital	19	-		-	
Profit and loss account			8,197		9,970
<b>Shareholders' funds</b>			8,197		9,970

The notes on pages 13 to 25 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 27 November 2025 and were signed on its behalf by:



MP Hill  
 Director

**Statement of Changes in Equity**  
 at 30 April 2025

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 May 2023	-	9,410	9,410
<b>Total comprehensive income for the period</b>			
Profit	-	560	560
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	560	560
Dividends paid	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2024</b>	-	<b>9,970</b>	<b>9,970</b>
	<hr/>	<hr/>	<hr/>

	Called up Share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 May 2024	-	9,970	9,970
<b>Total comprehensive loss for the period</b>			
Loss	-	(1,773)	(1,773)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	(1,773)	(1,773)
Dividends paid	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2025</b>	-	<b>8,197</b>	<b>8,197</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 13 to 25 form an integral part of these financial statements.

## Notes to the financial statements

### 1 Accounting policies

Hills Quarry Products Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company's ultimate parent undertaking, Hills UK Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Hills UK Limited are also prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from Wiltshire House, County Park Business Centre, Shrivenham Road, Swindon, Wiltshire, SN1 2NR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- cash flow statement and related notes;
- related party transactions; and
- key management personnel compensation.

The company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 23. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Measurement convention*

The financial statements are prepared on the historical cost basis.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the sale of sand and gravel, muck tipping, haulage, and ready mixed concrete. Turnover is recognised on dispatch of goods or provision of services. All turnover is derived from UK based operations.

#### *Going concern*

Notwithstanding net current liabilities of £6,109,000 as at balance sheet date, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for 17 months from the date of approval of these financial statements which indicates that, taking account of the company's ability to obtain funding from its ultimate parent company, Hills UK Limited, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Hills UK Limited not seeking repayment of the amounts currently due to it, which at 30 April 2025 amounted to a net £10,785,000, and providing additional financial support during that period. Hills UK Limited has confirmed its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts and facilities that are repayable on demand and form an integral part of the company's cash management are included in creditors falling due within one year.

##### *Aggregate levy*

Aggregate levy is included within both turnover and cost of sales. It is an integral part of the charge made to customers for some products and subject to value added tax.

##### *Tangible fixed assets and depreciation*

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

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:

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

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

##### *Stocks*

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

##### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Taxation (continued)

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

#### Expenses

##### Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

##### Interest receivable and interest payable

Interest payable and similar charges include interest payable, and finance leases recognised in profit or loss using the effective interest method, the unwinding of the discount on provisions, and changes in the rate of discount on provisions.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### 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 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 102, 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 24.

**Notes to the financial statements (continued)**

**1 Accounting policies (continued)**

**Provision 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 4.8% (2024: 4.2%) with a long-term inflation assumption of 2% (2024: 2%) to give a net discount rate of 2.8% (2024: 2.2%). The unwinding of the discount is included within interest payable and similar charges.

Tangible fixed assets are created for an amount equal to the fixed element of the provision where there is a future economic benefit with the remainder being expensed through the profit and loss account. The capitalised elements are recognised as additions to the original assets in land and buildings. The depreciation of the fixed asset is charged to the profit and loss account on the basis described above in "Fixed assets and depreciation" for aggregate quarries. Restoration and aftercare expenditure is then subsequently allocated to the provisions as incurred.

**Dividends**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**2 Turnover and segmental reporting**

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

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

**3 Other operating income**

Other operating income of £135,000 (2024: £237,000) includes £135,000 (2024: £237,000) relating to profit on disposal of fixed assets.

**4 Operating (loss) / profit and auditor's remuneration**

This is stated after charging/(crediting):

	2025 £000	2024 £000
Depreciation of owned fixed assets	3,276	2,749
Depreciation of assets held under finance leases and hire purchase contracts	809	1,050
Operating lease rentals – land and buildings	2,792	3,106
Operating lease rentals – plant and machinery and vehicles	968	1,036
Profit on sale of fixed assets	(135)	(237)
Auditor's remuneration: audit of these financial statements	33	32
	<hr/>	<hr/>

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 to the financial statements (continued)**

**5 Directors' emoluments**

	2025 £000	2024 £000
Emoluments	193	175
Contributions to defined contribution pension schemes	21	18
	<hr/>	<hr/>
	214	193
	<hr/>	<hr/>
Highest paid director:		
Emoluments	119	175
Contributions to defined contribution pension schemes	13	18
	<hr/>	<hr/>
	132	193
	<hr/>	<hr/>

**Number of directors accruing benefits in company pension schemes:**

	2025 No.	2024 No.
Defined contribution schemes	5	2
	<hr/>	<hr/>

**6 Staff costs**

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

	2025 £000	2024 £000
Wages and salaries	4,847	4,753
Social security costs	526	500
Pension costs	479	466
	<hr/>	<hr/>
	5,852	5,719
	<hr/>	<hr/>

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

	2025 No.	2024 No.
Site based employees	82	85
Administration and sales staff	41	41
	<hr/>	<hr/>
Company average including directors	123	126
	<hr/>	<hr/>

**Notes to the financial statements (continued)**

**7 Interest payable and similar charges**

	2025 £000	2024 £000
Bank loan and overdrafts	56	45
Interest on finance leases and hire purchase contracts	114	146
Unwind of discount on provision for site reinstatement (see note 18)	94	61
	<hr/>	<hr/>
	264	252
	<hr/>	<hr/>

**8 Taxation**

	2025 £000	2024 £000
<b>Analysis of (credit) in the year</b>		
Current tax:		
UK corporation tax on profits of the year	(66)	(502)
Adjustment in respect of previous years	(9)	(603)
	<hr/>	<hr/>
Total current tax	(75)	(1,105)
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	(421)	562
Adjustments in respect of previous years	(7)	(124)
	<hr/>	<hr/>
Total deferred tax	(428)	438
	<hr/>	<hr/>
Total tax	(503)	(667)
	<hr/>	<hr/>

**Factors affecting tax (credit) for the year**

The total tax credit for the period is lower (2024: *higher*) than the standard rate of corporation tax in the UK. The differences are explained below:

	2025 £000	2024 £000
(Loss) / profit for the year	(1,773)	560
Total tax	(503)	(667)
	<hr/>	<hr/>
(Loss) / profit on ordinary activities before tax	(2,276)	(107)
	<hr/>	<hr/>
Standard rate of corporation tax in the UK 25% (2024: 25%)	25%	25%
(Loss) / profit multiplied by the standard rate of corporation tax	(569)	(27)
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	199	196
Fixed asset differences	(143)	(109)
Adjustments to brought forward values	26	-
Adjustments to tax charge in respect of previous periods	(16)	(727)
	<hr/>	<hr/>
Total tax (credit) / charge to the profit and loss	(503)	(667)
	<hr/>	<hr/>

The deferred tax asset as at 30 April 2025 has been calculated at the rate of 25% (2024: 25%).

Notes to the financial statements (continued)

9 Intangible assets

	Goodwill £000
<i>Cost</i>	
At 1 May 2024	145
Additions during the year	-
At 30 April 2025	<u>145</u>
<i>Amortisation</i>	
At 1 May 2024	40
Provided during the year	14
At 30 April 2025	<u>54</u>
<i>Net book value</i>	
At 30 April 2025	<u>91</u>
At 30 April 2024	<u>105</u>

The intangible fixed assets relate to Goodwill on acquisition of Ready-Mixed Concrete facilities which are being written off over their estimated life of 10 years from commencement of operations.

There has been no impairment, or impairment reversal, in the year (2024: £nil).

10 Tangible fixed assets

	Motor vehicles £000	Land and buildings £000	Furniture and fittings £000	Plant and machinery £000	Restoration asset £000	Total £000
<i>Cost</i>						
At 1 May 2024	3,539	19,971	57	19,694	7,427	50,688
Additions	28	1,043	-	1,347	-	2,418
Disposals	(535)	-	-	(450)	(62)	(1,047)
At 30 April 2025	<u>3,032</u>	<u>21,014</u>	<u>57</u>	<u>20,591</u>	<u>7,365</u>	<u>52,059</u>
<i>Depreciation</i>						
At 1 May 2024	1,989	10,597	45	11,496	3,892	28,019
Charge for the year	472	1,259	2	1,821	531	4,085
On disposals	(535)	-	-	(450)	-	(985)
At 30 April 2025	<u>1,926</u>	<u>11,856</u>	<u>47</u>	<u>12,867</u>	<u>4,423</u>	<u>31,119</u>
<i>Net book value</i>						
At 30 April 2025	<u>1,106</u>	<u>9,158</u>	<u>10</u>	<u>7,724</u>	<u>2,942</u>	<u>20,940</u>
At 30 April 2024	<u>1,550</u>	<u>9,374</u>	<u>12</u>	<u>8,198</u>	<u>3,535</u>	<u>22,669</u>

*Impairment loss and subsequent reversal*

No impairment losses have been recognised in the profit and loss in the year (2024: £nil).

**Notes to the financial statements (continued)**

**10 Tangible fixed assets (continued)**

Land and buildings	Net book		Net book	
	Cost	value	Cost	Value
	2025	2025	2024	2024
	£000	£000	£000	£000
Freehold land and buildings	5,566	2,067	5,508	2,351
Short leasehold land and buildings	15,448	7,091	14,463	7,023
	<hr/>	<hr/>	<hr/>	<hr/>
	21,014	9,158	19,971	9,374
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Leased plant and machinery</i>			2025	2024
			£000	£000
Net book value of plant and machinery included in fixed assets held under finance leases and hire purchase contracts			2,021	2,830
			<hr/>	<hr/>

The equipment owned under finance leases carry lease obligations (see note 16).

The depreciation charged in the year for the assets held under finance leases was £809,000 (2024: £1,050,000).

**11 Stocks**

	2025	2024
	£000	£000
Raw materials and consumables	586	515
	<hr/>	<hr/>
	586	515
	<hr/>	<hr/>

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

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales and distribution in the year amounted to £8,115,000 (2024: £7,670,000) and £826,000 (2024: £939,000) respectively.

**12 Debtors**

	2025	2024
	£000	£000
Trade debtors	6,613	6,326
Amounts owed by group undertakings	616	489
Corporation tax	66	502
Prepayments and accrued income	4,265	3,554
	<hr/>	<hr/>
	11,560	10,871
	<hr/>	<hr/>

Amounts due after more than one year included in prepayments and accrued income is £704,000 (2024: £845,000).

**Notes to the financial statements (continued)**

**13 Creditors: amounts falling due within one year**

	2025 £000	2024 £000
Bank loans and overdrafts	1,920	1,017
Obligations under finance leases and hire purchase contracts	776	908
Trade creditors	2,532	4,358
Amounts owed to group undertakings	11,401	7,460
Other taxes and social security costs	1,251	1,225
Accruals and deferred income	441	490
	<b>18,321</b>	<b>15,458</b>
	<b>=====</b>	<b>=====</b>

Amounts owed to group undertakings are interest free and repayable on demand.

**14 Creditors: amounts falling due after more than one year**

	2025 £000	2024 £000
Obligations under finance lease and hire purchase contracts	1,088	1,864
	<b>1,088</b>	<b>1,864</b>
	<b>=====</b>	<b>=====</b>

**15 Interest- bearing loans and borrowings**

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2025 £000	2024 £000
<b>Creditors falling due within one year</b>		
Invoice financing	1,920	1,017
Finance lease liabilities	853	1,022
	<b>2,773</b>	<b>2,039</b>
	<b>=====</b>	<b>=====</b>
<b>Creditors falling due after more than one year</b>		
Finance lease liabilities	1,145	1,998
	<b>1,145</b>	<b>1,998</b>
	<b>=====</b>	<b>=====</b>

The invoice financing facility is a bank lending facility against trade debtors secured by an all assets debenture in favour of the bank. Interest is charged at a rate of 1.4% above UK Base Rates.

**Notes to the financial statements (continued)**

**16 Obligations under finance leases and hire purchase contracts**

	2025 £000	2024 £000
Amounts payable:		
Within one year	853	1,022
Within two to five years	1,145	1,998
	<hr/>	<hr/>
	1,998	3,020
	<hr/>	<hr/>

**17 Deferred tax liabilities**

Deferred tax liabilities are attributable to the following:

	2025 £000	2024 £000
Accelerated capital allowances	2,130	2,301
Losses and other deductions	(257)	-
	<hr/>	<hr/>
Tax liabilities	1,873	2,301
	<hr/>	<hr/>

The deferred tax liability at 30 April 2025 has been calculated based on a rate of 25% (2024: 25%).

**18 Other provisions**

**Provision for site restoration and aftercare**

	2025 £000	2024 £000
At 1 May	4,631	2,849
Provided in the year	(27)	2,566
Amounts utilised in the year	(805)	(845)
Change in discount rate used	(129)	-
Discount unwind for the year (see note 7)	94	61
	<hr/>	<hr/>
<b>At 30 April</b>	<b>3,764</b>	<b>4,631</b>
	<hr/>	<hr/>

*Site restoration and aftercare*

The site restoration and aftercare provision is an estimation of the likely restoration and aftercare costs in today's terms for the cost of restoring quarries to their end use as specified by planning consents. The increase in amount provided in the previous year includes costs for the East Area of Woodsford Quarry following commencement of extraction from this site.

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 major cost items and areas of uncertainty are discussed in note 23, Accounting estimates and judgements.

A discount rate of 4.8% (2024: 4.2%) and an inflation rate of 2.0% (2024: 2.0%) have been used to discount the future costs to their present value to produce an effective net discount rate of 2.8% (2024: 2.2%). A credit to interest receivable and similar charges of £129,000 has been recognised in the profit and loss account in respect of this change (2024: £nil).

**Notes to the financial statements (continued)**

**19 Share capital**

	2025 £000	2024 £000
<i>Allotted, called up and fully paid</i> 2 (2024: 2) ordinary shares of £1 each	-	-

**20 Dividends**

	2025 £000	2024 £000
Dividends paid	-	-

**21 Capital commitments**

	2025 £000	2024 £000
Amounts contracted for but not provided in the accounts	88	228

**22 Other financial commitments**

The company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2025 £000	Other 2025 £000	Land and buildings 2024 £000	Other 2024 £000
Not later than one year	2,557	-	1,708	-
Later than one year and not later than five years	9,024	-	6,240	-
Later than five years	1,631	-	3,099	-
	<b>13,212</b>	<b>-</b>	<b>11,047</b>	<b>-</b>

During the year £2,792,000 was recognised as an expense in the profit and loss account in respect of operating leases (2024: £3,106,000).

## Notes to the financial statements (continued)

### 23 Accounting estimates and judgements

The preparation of the company's financial statement requires management to make judgements, estimate and assumption that affect the application of account policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### *Key sources of estimation uncertainty*

##### *Restoration provisions*

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 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 basis of the provision is the estimation of the likely restoration and aftercare costs for proscribed aftercare periods which are then discounted from the periods when the obligations are forecast to arise back to today's terms. The significant items included in the provision relate to creating the final landform to that required in the planning permission. This requires movement and placement of soils to typically profile lakes or to agriculture. Some grass seeding or tree planting can be necessary.

Aftercare periods tend to be short, typically 5-10 years, and are required as part of some site planning permissions. These costs are relatively small compared with restoration costs and can include grass cutting, weed control and reseeding where an initial grass seeding has failed.

A discount rate of 4.8% (2024: 4.2%) and an inflation rate of 2.0% (2024: 2.0%) have been used to produce a net discount rate of 2.8% (2024: 2.2%) for discounting the future costs to their present value.

The restoration and aftercare provision has a degree of sensitivity to the long-term discount rate and long-term inflation assumptions used. An increase in the net discount rate of 0.3% (to 3.1%) would reduce the required provision by £62,000 from the current figure of £3,764,000 to £3,702,000. Conversely a reduction in the net discount rate by 0.3% (to 2.5%) would increase the provision required by £64,000 to £3,828,000.

### 24 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 30th April 2025 the total contributions paid were £406,000 (2024: £417,000).

As at 30th April 2025 there was an accrual of £nil (2024: £nil) for outstanding contributions payable.

#### *Defined benefit pension scheme*

Other employees and two directors are members of the parent company (Hills UK Limited's) defined benefit pension scheme (2024: three directors). The assets of the scheme are held separately from those of the company and group. The scheme was closed to the accrual of further benefits on 1 July 2017.

The most recent valuation of the scheme at 1 July 2023 has been updated by the actuary on an FRS102 basis on 30 April 2025 and on the 30 April 2024.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS102, the scheme is accounted for by this company as if the scheme was a defined contribution scheme with the full requirements of FRS102 being adopted in the financial statements of the parent company, Hills UK Limited, which can be obtained from the address given in note 26.

The assets and liabilities of the scheme are not able to be attributed to the current trading companies in the Hills UK Group as they include significant amounts which relate to doormat or disposed subsidiaries as well as the actively trading subsidiaries.

The profit and loss charge for the defined benefit scheme is £73,000 (2024: £49,000).

The total profit and loss charge for both the above schemes is £479,000 (2024: £466,000).

**Notes to the financial statements (continued)**

**25 Cross guarantee**

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

**26 Ultimate parent undertakings**

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:

Wiltshire House  
County Park Business Centre  
Shrivenham Road  
Swindon  
SN1 2NR