

HCR Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2013

Company Registration No. 02046903

HCR Limited

COMPANY INFORMATION

DIRECTORS	A J Finney R K V Dolbear A C Leach A J A Smith
SECRETARY	R K V Dolbear
COMPANY NUMBER	02046903
REGISTERED OFFICE	Belvedere House 2 Basing View Basingstoke Hampshire RG21 4HG
AUDITOR	Baker Tilly UK Audit LLP 3rd Floor, One London Square Cross Lanes Guildford Surrey GU1 1UN
BUSINESS ADDRESS	Belvedere House 2 Basing View Basingstoke Hampshire RG21 4HG
BANKERS	Santander Corporate Banking Thames Valley Business Centre 5th Floor, Davidson House Forbury Square Reading RG1 3EU

HCR Limited

DIRECTORS' REPORT

For the year ended 31 March 2013

The directors present their report and financial statements for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the provision of employee relocation and property management services to domestic and international organisations.

REVIEW OF THE BUSINESS

This has been another successful year for the group, although the environment has been challenging with clients being cautious with respect to activity levels. Turnover was flat compared with last year at £6.5m.

HCR's presence and reputation in the market place continue to grow, which has been recognised through a number of industry awards, including Relocation Management Company of the Year 2012 and a Green/CSR Achievement award, in recognition of our sustainable relocation programme. This has resulted in an increase in the opportunities to tender for new business and several new client wins. This has continued into the new financial year with a number of exciting opportunities in the pipeline.

In May 2013 HCR were awarded an extension of a major government contract starting 1st July 2013 and it is expected that the contract will remain in place until December 2014.

Our continuing ability to provide Guaranteed Sales Price funding is critical in being able to provide a complete range of relocation services.

Our USA office and our expanded network of global supply partners (World Connect), of over a hundred, has given HCR the ability to fully service worldwide relocation for our corporate clients.

We have continued to invest in our staff, IT infrastructure and software development. In particular a new client portal has been developed to provide access to our in-house designed operating platform, considerably improving the speed and quality of information for our clients and their employees. We have also launched an on-line expense management product, which fully integrates with our finance system.

Profit before Tax was £927k (14% return on sales). This was down on the previous year, which reflects the investment that has been made in the business to provide a platform for future growth.

The company generated cash of £1,426k in the year and is in a strong financial position at the year-end with shareholders funds of £4,978k and net current assets of £4,207k.

HCR Limited

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 March 2013

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company finances its operations through a mixture of retained profits and, where necessary to fund working capital, through bank borrowings in the form of a variable rate overdraft facility.

The management's objectives are to manage cash flow so as to minimise the overdraft requirement and in any event to operate within an agreed facility which is sufficient to fund the growth of the company.

The risks associated with the variable rate overdraft facility are deemed to be acceptable by the directors and no hedge instruments are in place but this is kept under regular review.

There is no exchange rate risk exposure with the sterling facility.

The company's surplus funds are held in short term variable rate deposit accounts, which reflect the flexibility required to fund the company's working capital requirements.

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

KEY PERFORMANCE INDICATORS

The board monitors the company's performance by reference to internal budgets and a number of Key Performance Indicators including monthly case volumes (instructed and billed), return on sales, PBT (profit before tax) and operating cash flow.

RESULTS AND DIVIDENDS

The results for the year are set out on page 6.

The directors recommended payment of a final dividend of £573,983.

RESEARCH AND DEVELOPMENT

The company's research and development activity is focussed on innovative software solutions for the rental and relocation sectors.

FUTURE DEVELOPMENTS

The company continues to invest in our staff, marketing, business development and new systems. Our innovation, particularly in the rental sector, continues to open up new market opportunities, which together with the existing solid foundation, should lead to further profitable growth in the coming year. The company continues to diversify its income streams to increase the growth opportunities and resilience of the business.

The company's strong financial position means it is well placed to fund business growth and to be a solid business partner for existing and new clients.

DIRECTORS

The following directors have held office since 1 April 2012:

A J Finney
R K V Dolbear
A C Leach
A J A Smith

AUDITOR

Baker Tilly UK Audit LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the next annual general meeting.

HCR Limited

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 March 2013

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, 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.

On behalf of the board



R K V Dolbear

DIRECTOR

16 August 2013

HCR Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting 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 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 HCR LIMITED

We have audited the financial statements set out on pages 6 to 19. 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 AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

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 31 March 2013 and 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Baker Tilly UK Audit LLP
PERRY LINTON FCA (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF BAKER TILLY UK AUDIT LLP, STATUTORY AUDITOR

Chartered Accountants
3rd Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

22 August 2013

HCR Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013

	Notes	2013 £	2012 £
Gross trading income		94,848,945	94,988,044
TURNOVER	1	6,542,943	6,765,394
Other operating expenses	2	(5,610,270)	(5,659,948)
OPERATING PROFIT		932,673	1,105,446
Investment income	3	7,210	17,746
Interest payable and similar charges	4	(12,425)	(27,706)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	927,458	1,095,486
Taxation	8	(209,980)	(253,811)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	19	717,478	841,675

Turnover and operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Gross trading income, which is not part of the statement of Profit and Loss Account, represents turnover plus rechargeable costs incurred by the group on behalf of customers.

HCR Limited
BALANCE SHEET
As at 31 March 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	10	311,117	202,607
Tangible assets	11	522,392	217,306
Investments	12	2	2
		<u>833,511</u>	<u>419,915</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	6,171,737	7,731,097
Cash at bank and in hand		1,724,117	298,006
		<u>7,895,854</u>	<u>8,029,103</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(3,688,524)</u>	<u>(3,580,570)</u>
NET CURRENT ASSETS		<u>4,207,330</u>	<u>4,448,533</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,040,841</u>	<u>4,868,448</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(16,295)	-
PROVISIONS FOR LIABILITIES	16	<u>(46,648)</u>	<u>(34,045)</u>
NET ASSETS		<u>4,977,898</u>	<u>4,834,403</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,250,000	1,250,000
Profit and loss account	19	3,727,898	3,584,403
		<u>4,977,898</u>	<u>4,834,403</u>
SHAREHOLDERS' FUNDS	20	<u>4,977,898</u>	<u>4,834,403</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 16 August 2013 and are signed on its behalf by:


A J Finney
DIRECTOR

HCR Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

CASH FLOW STATEMENT

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

TURNOVER

Turnover represents amounts receivable for the provision of employee relocation and property management services net of VAT and trade discounts. Turnover does not include the recharge of expenses incurred on behalf of customers.

INCOME RECOGNITION

All income is recognised on service delivery.

GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 5 years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

RESEARCH AND DEVELOPMENT

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related product. All research and other development costs are written off as incurred.

Capitalised development expenditure is amortised over five years from the date of completion.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. 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 short leasehold	20% Straight line
Fixtures, fittings and equipment	20%, 33% and 50% Straight line
Motor vehicles	33% Straight line

LEASING

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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

HCR Limited

ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

RETIREMENT BENEFITS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of HCR Group Holdings Limited, a company incorporated in England and Wales. The results of HCR Limited are included in the consolidated accounts of HCR Group Holdings Limited.

DIVIDENDS

Dividends are recognised where there is a constructive obligation to make payment.

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2 OTHER OPERATING EXPENSES	2013 £	2012 £
Distribution costs	3,147,275	2,976,942
Administrative expenses	2,462,995	2,683,006
	<u>5,610,270</u>	<u>5,659,948</u>

3 INVESTMENT INCOME	2013 £	2012 £
Bank interest	4,590	3,116
Other interest	2,620	14,630
	<u>7,210</u>	<u>17,746</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES	2013 £	2012 £
On bank loans and overdrafts	12,310	27,186
On overdue tax	115	520
	<u>12,425</u>	<u>27,706</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 £	2012 £
Profit is stated after charging:		
Amortisation of intangible assets	55,686	31,887
Depreciation of tangible assets		
- Owned assets	136,116	113,338
- Leased assets	10,254	-
Operating lease rentals		
- Plant and machinery	45,965	23,282
- Other assets	133,250	305,219
Auditor's remuneration	17,850	17,000
Remuneration of auditor for non-audit work	19,255	12,922
	<u>19,255</u>	<u>12,922</u>

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

6 EMPLOYEES

NUMBER OF EMPLOYEES

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Administration and management	113	110

EMPLOYMENT COSTS

	2013 £	2012 £
Wages and salaries	2,724,063	2,561,654
Social security costs	267,902	263,147
Other pension costs	155,310	152,141
	<u>3,147,275</u>	<u>2,976,942</u>

7 DIRECTORS' EMOLUMENTS

	2013 £	2012 £
Emoluments	352,782	357,738
Company pension contributions to money purchase schemes	76,395	72,039
	<u>429,177</u>	<u>429,777</u>

The number of directors for whom retirement benefits are accruing under money purchase scheme was:

	<u>4</u>	<u>4</u>
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Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments	113,871	111,567
Company pension contributions to money purchase schemes	45,444	41,718

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

8	TAXATION	2013 £	2012 £
	UK Corporation tax		
	Current tax on profit of the period	198,162	253,748
	Adjustment for prior years	(785)	(16,814)
	CURRENT TAX CHARGE	197,377	236,934
	DEFERRED TAX		
	Deferred tax charge/credit current year	12,603	16,877
	Tax on profit on ordinary activities	209,980	253,811
	FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
	The tax assessed for the year is lower than the standard rate of corporation tax (24%) as explained below:		
	Profit on ordinary activities before taxation	927,458	1,095,486
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	222,590	284,826
	Effects of:		
	Non deductible expenses	6,843	5,169
	Depreciation add back	37,247	31,572
	Capital allowances	(37,762)	(26,326)
	Group relief claim	(25,937)	(3,028)
	Adjustments to previous periods	(785)	(16,814)
	Research and development claim	-	(35,000)
	Other tax adjustments	(4,819)	(3,465)
	CURRENT TAX CHARGE	197,377	236,934
9	DIVIDENDS	2013 £	2012 £
	Ordinary:		
	Final dividend - £0.46 (2012 - £0.53) per share	573,983	663,600

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

10 INTANGIBLE FIXED ASSETS

	Goodwill	Development costs	Total
	£	£	£
COST			
At 1 April 2012	118,977	139,312	258,289
Additions	-	164,196	164,196
At 31 March 2013	118,977	303,508	422,485
AMORTISATION			
At 1 April 2012	47,590	8,092	55,682
Charge for the year	23,795	31,891	55,686
At 31 March 2013	71,385	39,983	111,368
NET BOOK VALUE			
At 31 March 2013	47,592	263,525	311,117
At 31 March 2012	71,387	131,220	202,607

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

11 TANGIBLE FIXED ASSETS

	Land and buildings short leasehold	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
COST				
At 1 April 2012	78,909	571,271	-	650,180
Additions	138,065	301,269	12,122	451,456
Disposals	(46,957)	(50,936)	-	(97,893)
At 31 March 2013	170,017	821,604	12,122	1,003,743
DEPRECIATION				
At 1 April 2012	59,464	373,410	-	432,874
On disposals	(46,957)	(50,936)	-	(97,893)
Charge for the year	32,722	110,864	2,784	146,370
At 31 March 2013	45,229	433,338	2,784	481,351
NET BOOK VALUE				
At 31 March 2013	124,788	388,266	9,338	522,392
At 31 March 2012	19,445	197,861	-	217,306

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings and equipment £
NET BOOK VALUES	
At 31 March 2013	120,103
DEPRECIATION CHARGE FOR THE YEAR	
At 31 March 2013	10,254

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

12 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
COST	
At 1 April 2012 & at 31 March 2013	2
NET BOOK VALUE	
At 31 March 2013	2
At 31 March 2012	2

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	Class	Shares held %
SUBSIDIARY UNDERTAKINGS			
HCR Funding Corporation Limited	England	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:

		Capital and reserves 2013 £	Profit for the year 2013 £
	PRINCIPAL ACTIVITY		
HCR Funding Corporation Limited	Arranging property finance on behalf of customers of HCR Limited	383,072	9,200

Under section 401 of the Companies Act 2006 HCR Limited is exempt from preparing group accounts as it is included in the consolidated accounts of its parent company, HCR Group Holdings Limited, therefore HCR Funding Corporation Limited is not included within these financial statements.

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

13 DEBTORS	2013	2012
	£	£
Trade debtors	5,522,568	7,228,163
Amounts owed by parent and fellow subsidiary undertakings	451,660	316,753
Other debtors	22,531	38,780
Prepayments and accrued income	174,978	147,401
	<u>6,171,737</u>	<u>7,731,097</u>

Trade debtors includes a balance of £4,900,940 (2012: £5,932,473) which represents rechargeable costs incurred by the company on behalf of its customers and which are recoverable in the year ending 31 March 2014. These rechargeable costs do not go through turnover and therefore the level of debtors does not correlate to the turnover of the business.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2013	2012
	£	£
Net obligations under finance leases	65,179	-
Trade creditors	290,323	235,460
Amounts owed to subsidiary undertakings	385,386	376,672
Corporation tax	81,354	19,284
Other taxes and social security costs	270,612	356,933
Other creditors	99,482	107,283
Accruals and deferred income	2,496,188	2,484,938
	<u>3,688,524</u>	<u>3,580,570</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2013	2012
	£	£
Net obligations under finance leases	<u>16,295</u>	<u>-</u>

Obligations under hire purchase contracts totalling £81,474 (2012: £nil) are secured by related assets. The hire purchase contract does not bear any finance charges.

NET OBLIGATIONS UNDER FINANCE LEASES		
Repayable within one year	65,179	-
Repayable between one and five years	16,295	-
	<u>81,474</u>	<u>-</u>
Included in liabilities falling due within one year	<u>(65,179)</u>	<u>-</u>
	<u>16,295</u>	<u>-</u>

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

16 PROVISIONS FOR LIABILITIES

	Deferred tax liability £
At 1 April 2012	34,045
Profit and loss account	12,603
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At 31 March 2013	46,648
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THE DEFERRED TAX LIABILITY IS MADE UP AS FOLLOWS:

	2013 £	2012 £
Accelerated capital allowances	46,648	36,392
Other timing differences	-	(2,347)
	<hr/>	<hr/>
	46,648	34,045
	<hr/> <hr/>	<hr/> <hr/>

17 RETIREMENT BENEFITS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. All contributions were paid in the year.

	2013 £	2012 £
Contributions payable by the company for the year	155,310	152,141
Contributions payable to the fund at the year end and included in creditors	-	(9,779)
	<hr/>	<hr/>

18 SHARE CAPITAL

	2013 £	2012 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,250,000 Ordinary shares of £1 each	1,250,000	1,250,000
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HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

19 RESERVES

	Profit and loss account
	£
At 1 April 2012	3,584,403
Profit for the year	717,478
Dividends paid	(573,983)
At 31 March 2013	<u>3,727,898</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	717,478	841,675
Dividends	(573,983)	(663,600)
Net addition to shareholders' funds	<u>143,495</u>	<u>178,075</u>
Opening shareholders' funds	4,834,403	4,656,328
Closing shareholders' funds	<u>4,977,898</u>	<u>4,834,403</u>

21 FINANCIAL COMMITMENTS

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire:				
Within one year	-	36,609	7,197	4,448
Between two and five years	103,396	62,868	28,543	27,749
	<u>103,396</u>	<u>99,477</u>	<u>35,740</u>	<u>32,197</u>

22 CONTROL

The ultimate parent undertaking is HCR Group Holdings Limited, a company incorporated in England and Wales. It is both the smallest and largest group to consolidate these financial statements. Copies of its consolidated financial statements can be obtained from Belvedere House, 2 Basing View, Basingstoke, Hampshire, RG21 4HG.

The directors consider A J Finney to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent company.

HCR Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2013

23 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

At the balance sheet date, the parent company of HCR Limited, owned 95% of the issued share capital of Charlie Houseman Limited. During the year HCR Limited recharged expenses to Charlie Houseman Limited of £34,429 (2012: £11,853). During the year Charlie Houseman Limited recharged collection costs to HCR Limited of £15,588 (2012: nil) and made other sales to HCR Limited of £5,224 (2012: nil). At the year end HCR Limited owed Charlie Houseman £14 (2012: Charlie Houseman Limited owed HCR Limited £482).