Holborn Accountancy Tuition Limited
(Trading as the HAT Group of Accountants)

Year Ended 30 April 2002

Annual Report



Company Registration Number: 1206921

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

Financial Statements

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Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

Directors' Report

The directors have pleasure in presenting their report and the financial statements for the year ended 30 April 2002.

Principal Activities

The principal activities of the company during the year were the provision of recruitment, training, quality assurance and consultancy services to the accounting and auditing profession.

The Directors and their Interests in Shares of the Company

	'A' Ordinary Shares of £1 each previously known as Ordinary Shares	
	As at 30 April 2002	**At 30 April 2001**
RD Ward	**75**	**75**
IC Atkins	**80**	**100**
JE Allen	**75**	**75**
E Oddie	**75**	**75**
MJ Shaw	**20**	**-**
KM Clarke	**75**	**75**

	'B' Ordinary Shares of £1 each	
	As at 30 April 2002	**At 30 April 2001**
IC Atkins	**60**	**-**
MJ Shaw	**40**	**-**

Elaine Oddie resigned as a director of HAT. Her resignation was effective from 1 May 2002 and was due to Tenon plc ceasing to be a member firm. HAT, its officers and staff would like to thank Elaine for her contribution and support.

Small Company Provision

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

.....

IC Atkins
Company Secretary

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

Profit and Loss Account

	Notes	2002	2001
			£
Turnover	1	**645,350**	**601,940**
Cost of Sales		**(132,995)**	**(119,680)**
Gross Profit		**512,355**	**482,260**
Administration expenses		**(494,778)**	**(465,596)**
Operating Profit	2	**17,577**	**16,664**
Interest payable		**(2,673)**	**(4,045)**
Profit on Ordinary Activities Before Taxation		**14,904**	**12,619**
Taxation on profit on ordinary activities	4	**(4,899)**	**(2,000)**
Retained Profit for the Financial Year		**10,005**	**10,619**

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

Balance Sheet

	Notes	2002	2001 £
Tangible Fixed Assets	5	**31,630**	**44,342**
Current Assets			
Stock		**15,556**	**30,636**
Debtors	6	**90,818**	**76,477**
Cash at bank and in hand		**-**	**100**
		106,374	**107,213**
Creditors: Amounts falling due within one year	7	**(92,649)**	**(111,906)**
Net Current Assets (Liabilities)		**13,725**	**(4,693)**
Total Assets Less Current Liabilities		**45,355**	**39,649**
Creditors: Amounts falling due after more than one year	8	**(11,447)**	**(15,846)**
		33,908	**23,803**
Capital and Reserves			
Called-up share capital	11	**500**	**400**
Profit and Loss Account	12	**33,408**	**23,403**
Shareholders' Funds		**33,908**	**23,803**

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company was entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. No notice has been deposited with the company under section 249B(2) of that Act requiring an audit to be carried out.

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

The directors acknowledge their responsibilities for:

- ensuring the company keeps accounting records which comply with section 221 CA 1985; and

- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for that period in accordance with the requirements of section 226 CA 1985 and which otherwise comply with the requirements of that Act relating to accounts so far as they are applicable to the company.

These financial statements were approved by the directors on the.....16.9.02.., and were signed on their behalf by:



.....

RD Ward

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

Notes to the Financial Statements

1 Accounting Polices

Accounting Convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of sales of services to customers in the United Kingdom.

Depreciation

Depreciation is calculated so as to write-off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Leasehold Improvements	- Over the term of the lease
Motor Vehicles	- 33 1/3 per annum
Office Equipment	- 10-25% per annum

Stock

Stock is stated at the lower of cost and net realisable value using the first in first out method.

Operating Leases

Rentals under operating leases are charged on a straight-line basis over the term of the lease.

Finance Leases

Assets under finance leases are included at fair value of the leased asset and the inception of the lease. Depreciation on leased assets is calculated to write-off this amount on a straight-line basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable on a straight-line basis.

Deferred Taxation

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Notes to the Financial Statements

Pension Costs

In respect of certain directors and employees the company contributes to a group personal pension scheme. Contributions payable to the scheme are charged to the profit and loss account in the period to which they relate.

2 Operating Profit

Operating profit is stated after charging:

	2002 £	2001 £
Staff pension contributions	**6,461**	**4,762**
Depreciation	**14,995**	**14,830**
(Profit)/Loss on disposal of fixed assets	**(665)**	**1,322**
Auditors' fee	**-**	**1,900**

3 Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2002 £	2001 £
Aggregate emoluments	**166,160**	**150,469**
Pension contributions to money purchase schemes	**6,708**	**6,250**
	172,868	**156,719**

The number of directors who are accruing benefits under money purchase schemes are as follows:

	2002 No.	2001 No.
Group Personal Pension Scheme	**2**	**2**

Notes to the Financial Statements

4 Tax on Ordinary Activities

	2002	2001
	£	£
Corporation tax based on the income of the year	3,505	2,000
Adjustment to prior period charges	1,394	-
	4,899	2,000

5 Tangible Fixed Assets

	Leasehold Improvements	Motor Vehicles	Office Equipment	Total
	£	£	£	£
Cost				
At 1 May 2001	15,547	21,595	43,551	80,693
Additions	-	-	2,599	2,599
Disposals	-	-	(1,374)	(1,374)
At 30 April 2002	15,547	21,595	44,776	81,918
Depreciation				
At 1 May 2001	8,427	4,548	23,376	36,351
Charge for the year	2,373	4,971	7,652	14,996
On disposal	-	-	(1,059)	(1,059)
At 30 April 2002	10,800	9,519	29,969	50,288
Net Book Value At 30 April 2002	4,747	12,076	14,807	31,630
Net Book Value At 30 April 2001	7,120	17,047	20,175	44,342

Motor vehicles represent assets held under hire purchase agreement.

Notes to the Financial Statements

6 Debtors

	2002 £	2001 £
Trade debtors	66,331	56,071
Other debtors	14,200	15,825
Prepayments and accrued income	10,287	4,581
	90,818	76,477

7 Creditors: Amounts Falling Due Within One Year

	2002 £	2001 £
Bank overdraft	4,969	34,254
Trade creditors	33,699	32,491
Corporation tax	3,510	2,005
PAYE and social security	11,606	8,978
VAT	19,608	15,953
Hire purchase agreements	4,721	4,799
Other creditors	12,000	10,296
Accruals and deferred income	2,536	3,130
	92,649	111,906

Security has been given by the member firms in respect of £4,969 (2001 - £34,254).

Creditors relating to hire purchase agreements are secured.

8 Creditors: Amounts Falling Due After More Than One Year

	2002 £	2001 £
Hire purchase agreements	-	4,399
Other	11,447	11,447
	11,447	15,846

Notes to the Financial Statements

9 Commitments Under Operating Leases

	2002 £	2001 £
Operating leases which expire within 2 to 5 years	**22,960**	**22,960**

10 Related Party Transactions

During the year the company sold services on normal commercial terms to member firms in which certain directors have an interest as follows:

		2002	2001 £
RD Ward	Partner-Silver Altman	**25,337**	**22,500**
JE Allen	Partner – Morgan Brown & Spofforth	**64,478**	**61,617**
KM Clarke	Partner – CLB	**59,375**	**59,519**
E Oddie	During the previous year the non-audit business of Morison Stoneham was acquired by Tenon Plc. Elaine Oddie a partner of Morison Stoneham, still holds the shares in HAT on behalf of Tenon Plc	**53,095**	**58,822**

The following amounts were due by the member firms to the company at the year end:

	2002 £	2001 £
Silver Altman	**369**	**(1,933)**
Morgan Brown & Spofforth	**6,901**	**4,326**
CLB	**4,247**	**4,457**
Tenon plc	**9,397**	**8,354**

Notes to the Financial Statements

11 Share Capital

	2002 £	2001 £
Authorised Share Capital – A Ordinary Shares	**1,000**	**1,000**
Authorised Share Capital – B Ordinary Shares	**100**	**-**
	1,100	**1,000**
Allotted, called up and Fully Paid –		
- A shares	**400**	**400**
- B Shares	**100**	**-**
	500	**400**

All shares are £1 ordinary shares

During the year 100, £1 ordinary B shares were issued for consideration of £100.

12 Profit and Loss Account

Balance brought forward	**23,403**	**12,784**
Retained profit for the financial year	**10,005**	**10,619**
Balance carried forward	**33,408**	**23,403**

13 Ultimate Controlling Party

For this year and the preceding period its directors controlled the company, with no one single party having outright control.

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

DETAILED PROFIT AND LOSS ACCOUNT

Turnover	**2002**	**2001**
	£	**£**
Contribution from member firms	**106,825**	**102,648**
Contribution from associate firms	**221,760**	**219,971**
Income from CPE courses	**35,748**	**31,830**
Income for career development courses	**123,329**	**123,315**
Income from the sale of stationery	**39,727**	**32,345**
Income from social Events	**5,208**	**5,351**
Income from part services	**37,836**	**25,334**
Other income	**73,378**	**60,448**
Income from the sale of manuals	**1,539**	**698**
	645,350	**601,940**
Cost of Sales		
Cost of CPE Courses	**18,077**	**19,862**
Cost of HAT courses	**73,640**	**72,491**
Cost of stationery sold	**27,161**	**21,418**
Cost of social events	**3,676**	**4,474**
Manual update costs	**928**	**1,435**
Quarterly meeting costs	**7,103**	**-**
Devolved assessment fees	**2,590**	**-**
	133,085	**119,680**
Gross Profit	**512,355**	**482,260**
Administrative Overheads		
Staffing Costs		
Staff salaries and NI	**147,197**	**137,888**
Directors salaries and NI	**171,915**	**152,030**
BUPA	**3,290**	**3,200**
Staff pension contributions	**6,461**	**4,762**
Directors pension contributions	**6,708**	**6,250**
Recruitment costs	**840**	**-**
	336,411	**304,130**

Holborn Accountancy Tuition Limited

Year Ended 30 April 2002

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

	2002 £	2001 £
Property Costs		
Rent	22,539	22,960
Rates	6,256	5,517
Service Charges and Property Insurance	11,256	4,253
Repairs and Maintenance	442	658
Cleaning	3,000	3,522
	43,493	36,910

	2002 £	2001 £
Other Expenses		
Motor Expenses	5,238	4,777
Travel	294	571
Fax, Telephone, Internet	4,125	5,204
Postage	8,751	8,858
Printing, Stationery and Photocopier	11,074	13,555
Computer consultancy fees	6,133	10,279
Insurance	1,340	942
Sundry expenses	2,673	2,297
Technical circulars, subscriptions and publications	4,777	4,114
Courses for HAT staff	3,571	3,055
Cost of quarterly meetings	-	3,527
Committee costs	1,162	1,000
Entertaining	1,561	2,569
Accountancy fees	505	655
Auditors' remuneration	144	2,080
Depreciation	14,995	14,830
(Profit) Loss on disposal of fixed assets	(665)	1,322
Computer software and licences	100	1,695
HAT awards	3,000	3,160
Courier Costs	567	836
Equipment repair and maintenance contracts	4,391	3,271
Bad debt expense	-	148
	73,728	88,745

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

	2002 £	2001 £
Bank Charges	**1,303**	**1,350**
Recruitment costs	**39,845**	**34,461**
Interest payable		
Bank interest payable	**1,415**	**3,109**
Finance lease charges	**1,258**	**936**
	2,673	**4,045**