

Company Registration No. 2234189(England and Wales)

HASLERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

Haslers
Chartered Accountants & Business Advisers
Old Station Road
Loughton
Essex IG10 4PL



COMPANY INFORMATION

Directors	S Baskin M P Gould M J Anderson G C Reed
Secretary	S Baskin
Company Number	2234189
Registered Office	Haslers Old Station Road Loughton Essex IG10 4PL
Bankers	National Westminster Bank 133 High Street Barkingside Ilford Essex IG6 2BU

CONTENTS

	Page
Directors' Report	1
Profit and Loss Account	2
Balance Sheet	3
Notes to Financial Statements	4 - 8

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2005**

The directors present their report and financial statements for the period ended 31 December 2005.

Principal Activities

The principal activity of the company continued to be that of the supply of staff to the accountancy profession.

Results and Dividends

The results for the year are set out on page 2.

Directors

The following directors have held office since 27 December 2004.

S Baskin
M P Gould
M J Anderson
G C Reed

Directors' Interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of 1p Each	
	31 December 2005	26 December 2004
M P Gould	15,663	15,663
S Baskin	13,793	13,793
M J Anderson	37,124	37,124
G C Reed	16,702	16,702

M J Anderson had a non-beneficial interest as first named Trustee of 251,507 shares.

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

On behalf of the Board



S Baskin

26 October 2006

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2005

	Notes	Period ended 31 December 2005 £	Period ended 26 December 2004 £
Turnover		4,344,436	3,631,152
Administrative expenses		<u>3,277,684</u>	<u>(2,609,205)</u>
Operating profit		1,066,752	1,021,947
Other interest receivable and similar income		-	265
Interest payable and similar charges		<u>(42,922)</u>	<u>(132)</u>
Profit on ordinary activities before taxation		1,023,830	1,022,080
Tax on profit on ordinary activities	2	<u>(319,202)</u>	<u>(294,420)</u>
Profit on ordinary activities after taxation		<u>704,628</u>	<u>727,660</u>
Dividends		-	<u>(15,624)</u>
Retained profit for the period	9	<u>704,628</u>	<u>712,036</u>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

BALANCE SHEET
AS AT 31 DECEMBER 2005

	Notes	£	2005 £	£	2004 £
Fixed Assets					
Investments	3		3,999,940		2,039,940
Current Assets					
Debtors	4	1,258,842		1,546,614	
Cash at bank		<u>9,514</u>		<u>-</u>	
		1,268,356		1,546,614	
Creditors: amounts falling due within one year	5	<u>(1,090,257)</u>		<u>(1,463,670)</u>	
Net current (liabilities)/assets			<u>178,099</u>		<u>(82,944)</u>
Total assets less current liabilities			<u>4,178,039</u>		<u>2,122,884</u>
Capital and reserves					
Called up share capital	8		18,180		13,280
Share premium account	9		3,993,680		2,038,580
Other reserves	9		(3,142,118)		(2,532,645)
Profit and loss account	9		<u>3,308,297</u>		<u>2,603,669</u>
Shareholders' funds	10		<u>4,178,039</u>		<u>2,122,884</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985; and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 26 October 2006

G C Reed
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005**

1 Accounting Policies

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Investments

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

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

1.5 Deferred Taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.6 QUEST / SIP Contributions

Contributions to the Haslers Limited Qualifying Employee Share Ownership Trust and the Haslers Limited Share Incentive Plan are accounted for under Urgent Issues Task Force 38. In accordance with UITF38, contributions to the QUEST and SIP are not recognised in the profit and loss account until such time as the shares vest unconditionally with the employees.

2 Taxation

	2005	2004
	£	£
Current tax charge	-	109,000
Adjustment for prior years	(109,000)	(30)
Deferred tax liability	<u>428,202</u>	<u>185,450</u>
	<u>319,202</u>	<u>294,420</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2005

3 Fixed Asset Investments

	Shares in Group Undertakings and Participating Interests £
Cost	
At 26 December 2004	2,039,940
Additions	1,960,000
At 31 December 2005	<u>3,999,940</u>

Holdings of more than 20%

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

Company	Country of Incorporation	Shares Held Class	%
Haslers Consultants Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves of this undertaking for the last relevant financial year was as follows:

	Capital & Reserves 2005 £	Profit for the year 2005 £
Haslers Consultants Limited	(511,964)	855,615

4 Debtors

	2005 £	2004 £
Trade debtors	281,628	443,759
Deferred tax asset	133,000	300,000
Loan account with subsidiary	765,047	764,644
Other debtors	79,167	38,211
	<u>1,258,842</u>	<u>1,546,614</u>

5 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	10,729	-
Bank loans and overdrafts	800,858	862,015
Taxation and social security	244,708	335,885
Other creditors	<u>33,962</u>	<u>265,770</u>
	<u>1,090,257</u>	<u>1,463,670</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2005

6 Provisions for liabilities and charges

	2005 £	2004 £
Deferred tax on QUEST and SIP contributions offset against investment in own shares (see note 9)		
Brought forward	1,085,420	599,970
On SIP/QUEST contribution in year	<u>261,202</u>	<u>485,450</u>
Carried forward	<u>1,346,622</u>	<u>1,085,420</u>

7 Pension costs

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.

	2005 £	2004 £
Contributions payable by the company for the year	<u>91,247</u>	<u>101,631</u>

8 Share Capital

	2005 £	2004 £
Authorised 100,000,000 ordinary shares of 1p each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2005 £	2004 £
1,817,979 ordinary shares of 1p each	<u>18,180</u>	<u>13,280</u>

During the year a further 490,000 ordinary 1p shares were issued at £4 each by way of a share for share exchange.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2005

9 Statement of movements on profit and loss account

	Share Premium Account	Other Reserves	Profit and Loss Account
	£	£	£
Balance at 27 December 2004	2,038,580	(2,532,645)	2,603,669
Retained profit for the period	-	-	704,628
Issue of shares	1,955,100	-	-
Investment in own shares	-	(870,675)	-
Deferred tax thereon	-	261,202	-
At 31 December 2005	<u>3,993,680</u>	<u>(3,142,118)</u>	<u>3,308,297</u>

Investment in own shares:

	Number held in Trust	Nominal Value	Cost
		£	£
Shares held as at 27 December 2004	533,327	5,333	3,618,065
Shares purchased	<u>216,368</u>	<u>2,164</u>	<u>870,675</u>
	<u>749,695</u>	<u>7,497</u>	<u>4,488,740</u>
Held in:			
QUEST	133,327	1,333	1,999,900
SIP	<u>616,368</u>	<u>6,164</u>	<u>2,488,840</u>
	<u>749,695</u>	<u>7,497</u>	<u>4,488,740</u>

The Haslers Limited Share Incentive Plan was established to purchase shares for the benefit of employees. The aim is to provide free shares to all employees over a five year period. Distributions will be based on formulas that recognise length of service and seniority at the time of the distribution of shares. No distributions were made during the period.

The QUEST Trustees hold shares for the benefit of employees generally. The aim is that shares will be appropriated to employees on a long term basis when the founder shareholders retire or the business is sold.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2005

10 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial period	704,628	727,660
Dividends	-	(15,624)
	<u>704,628</u>	<u>712,036</u>
Proceeds from issue of shares	1,960,000	9,912
Purchase of own shares net of tax	<u>(609,473)</u>	<u>(1,132,715)</u>
Net (depletion in)/addition to shareholders' funds	2,055,155	(410,767)
Opening shareholders' funds	<u>2,122,884</u>	<u>2,533,651</u>
Closing shareholders' funds	<u>4,178,039</u>	<u>2,122,884</u>

11 Employment costs

	2005 £	2004 £
Wages and salaries	2,616,464	2,186,065
Social security costs	274,013	228,691
Pension costs	<u>91,247</u>	<u>101,631</u>
	<u>2,981,724</u>	<u>2,516,387</u>

12 Related Party Transactions

The following related parties existed during the year:

Haslers	-	The directors are all partners
Haslers Consultants Limited	-	Subsidiary company

Turnover with Haslers	£4,344,436	(2004 - £3,631,152)
Accountancy paid to Haslers	£5,000	(2004 - £6,500)

At the period end £281,628 was due from Haslers (2004 - £443,759), £765,048 was due from Haslers Consultants Limited (2004 - £764,644) and £7,167 from Haslers Limited Trust (2003 - £7,167).

13 Control

There is no ultimate controlling party.